



Vendor: Oracle

Exam Code: 1Z0-225

Exam Name: Oracle E-Business Suite R12: Inventory and Purchasing Fundamentals

Version: DEMO

QUESTION 1

Select three true statements about the default of sourcing information for requisitions and purchase orders. (Choose three.)

- A. The item price on a requisition can be defaulted from the item attribute setup.
- B. Buyer name cannot be defaulted onto a requisition, but you can assign notes to a buyer.
- C. You can modify the last name of the requester defaulting from the Human Resources employee record.
- D. You must use the Transfer From assignment on a sourcing rule for item information to default onto an internal requisition.
- E. When you assign a commodity to an approved supplier list, you do not need to assign the individual items in the commodity.
- F. You can have the same item on a quotation and a blanket agreement but the supplier or supplier site must be different, so that it can default onto a requisition line.

Answer: ADE

QUESTION 2

While defining Approval Groups, which three objects can you define authorization rules for? (Choose three.)

- A. Buyer
- B. Location
- C. Commodity
- D. Item Category
- E. Account Range
- F. Document Amount

Answer: BDE

QUESTION 3

Which two activities should be completed before Purchasing is closed for a period? (Choose two.)

- A. Resolve all unordered receipts.
- B. Open the new purchasing period.
- C. Approve all purchasing requisitions for the current period.
- D. Complete all inventory and expense receipts for the current period.
- E. Complete and approve all the purchase orders for the current period.
- F. Pay all invoices for the current period including those that have not been received.

Answer: AD

QUESTION 4

Which are the two mandatory setup steps required during the creation of a new position hierarchy? (Choose two.)

- A. Create a job.
- B. Create and assign a buyer.
- C. Assign a supervisor to all employees.

- D. Enable Position Hierarchy in Financials Options.
- E. Assign charge accounts for all employees in the position hierarchy. F.Ensure subordinates match the employee-supervisor assignment in Human Resources.

Answer: AD

QUESTION 5

You created an internal requisition to move material between two organizations. The destination is locator controlled. The shipping network between these two locations has been defined as Direct. The shipment transaction fails. What could be the reason for the failure?

- A. Locator default has not been set up in the transaction default.
- B. Internal requisitions cannot be used for Direct shipping networks.
- C. You did not indicate the locator of the destination on the requisition.
- D. Locator-controlled destinations cannot be used for Direct shipping networks.

Answer: A

QUESTION 6

The client uses an external application as the source for cycle counts. What value should be used for the profile option INV: CCEOI Commit Point to ensure successful processing of the Import Cycle Count Entries from Open Interface concurrent program consistently?

- A. Create
- B. Process
- C. Simulate
- D. A number

Answer: D

QUESTION 7

Select the true statement about Material Status Control.

- A. The profile option "INV: Default Item Status" must be set to Active at the site level to enforce Material Status Control.
- B. The profile option "INV: Material Status Support" must be set to Yes at the site level to enforce Material Status Control.
- C. The profile option "INV: Transaction Reasons Security" must be set to Yes at the site level to enforce Material Status Control.
- D. The profile option "INV: Allow Expense to Asset Transfer" must be set to Yes at the application level to enforce Material Status Control.

Answer: B

QUESTION 8

Your client has inventory organizations that belong to different operating units. All items are manufactured in one operating unit and shipped to distribution warehouses that belong to other operating units. On an exception basis, transfers may be arranged between distribution warehouses in different operating units. All transfers between operating units are at the shipping organization's standard cost plus a transfer charge percentage. Identify three inventory setup steps that are required for allowing the receiving inventory organization to correctly process receipts from inventory organizations belonging to another operating unit. (Choose three.)

- A. Define an Intercompany Price List.
- B. Define the correct Unit of Measure conversions for Dual UOM.
- C. Define Intercompany Relations for each pair of operating units.
- D. Define a separate Item Master Organization for each operating unit.
- E. Define Receiving Options for each inventory organization in each operating unit.
- F. Define Shipping Networks for each pair of shipping and receiving inventory organizations.
- G. Ensure that the Receiving Options are uniform for all inventory organizations in each operating unit.

Answer: CEF

QUESTION 9

Min-max planning can be used _____.

- A. only at the subinventory level
- B. in place of MRP/MPS planning
- C. in Exponential Smoothing Forecast calculations
- D. in Economic Order Quantity(EOQ) calculations
- E. in Material Requirement Planning/Master Production Schedule (MRP/MPS) calculations

Answer: B

QUESTION 10

Which three values are applicable for the transaction profile option Miscellaneous Issue and Receipt? (Choose three.)

- A. Online Processing
- B. Concurrent Processing
- C. Form-Level Processing
- D. Background Processing
- E. Record-Level Processing

Answer: ABD

QUESTION 11

Which two statements are true about setting up an Approved Supplier List? (Choose two.)

- A. An Approved Supplier List is used only for items and not for services.
- B. A Global Agreement cannot be set up as a source document for a requisition.
- C. A blanket purchase agreement cannot be set up as a source for an item in a purchase order line.
- D. You can get the price breaks to default to a requisition from a quotation or a blanket purchase

agreement.

- E. You do not need to set the profile option PO: Automatic Document Sourcing to Yes, in order to get the source document information for a service (as opposed to an inventory item).

Answer: CD

QUESTION 12

Which two are true about the key accounts in the Procure to Pay process? (Choose two.)

- A. The Receiving account is used to record the current balance of material in receiving and inspection.
- B. The Invoice Price Variance account is used to record differences between the invoice price and the average cost.
- C. The Expense AP Accrual account is used to accrue payable liabilities when you receive items you will capitalize as inventory.
- D. The Purchase Price Variance account is used to record differences between the purchase order line price and the average cost.
- E. The Exchange Rate Gain or Loss account is used to record differences between the exchange rate used for the purchase order and the exchange rate used for the invoice.

Answer: AE

QUESTION 13

Identify the purpose of using Material Status controls.

- A. to permit updates to the Item Master record
- B. to prevent unnecessary cycle counting in an inventory organization
- C. to define the transactions that are permitted for an inventory organization
- D. to select the transactions that are permitted to use the inventory on-hand quantity

Answer: D

QUESTION 14

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

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

Answer: A

QUESTION 15

A multinational company operates in three countries, with one operating unit (OU) in each. Each OU is linked to one inventory organization. One of the inventory organizations is a manufacturing plant. Which two statements are correct? (Choose two).

- A. A location is a legal address, it cannot be a Ship-To site for more than one country.
- B. A location is unique to a specific OU responsibility when the Global check box is selected.

- C. When a location is flagged as local, you must assign the local inventory organization to it.
- D. The Ship-To location and Ship-To site for the same inventory location can be in different countries.
- E. You cannot set a default receiving location in the Receiving Options for each inventory organization.

Answer: DE

QUESTION 16

Consider the following scenario:

- 1. Receipt Days Early = 5; Receipt Days Late = 10; Receipt Days Exceed-Action = Reject
- 2. Over Receipt Tolerance (%) = 5; Over Receipt Action = Reject
- 3. Receipt Close Point = Received; Receipt Close Percent = 5% A shipment of 100 for item A was scheduled to be delivered on Oct-15-2007.

Which receipt transaction(s) can occur?

- A. A receipt of 95 for item A is created on Oct-09-2007.
- B. A receipt of 90 for item A is created on Oct-27-2007.
- C. A receipt of 108 for item A is created on Oct-16-2007.
- D. A receipt of 60 for item A is created on Oct-12-2007. Another receipt of 65 for item A is created on Oct-17-2007.
- E. A receipt of 70 for item A is created on Oct-12-2007. Another receipt of 28 for item A is created on Oct-17-2007.

Answer: E

QUESTION 17

Your client does not want to implement account alias issues or receipts. When performing setups, what should you do about the account alias flexfield?

- A. Define segments, but do not compile.
- B. Create at least one alias, compile, then disable the alias.
- C. Ignore the account alias flexfield because it would not be required.
- D. Compile the flexfield structure because it is required by Oracle Inventory.
- E. Define default account aliases that can be used at a later date, but ensure they are disabled now.

Answer: D

QUESTION 18

Cycle count variance approval tolerances have been defined for a cycle count. The Approval Required option in the cycle count has been set to: If out of tolerance. When an item count exceeds the approval tolerance specified, Inventory ____.

- A. automatically approves and posts the cycle count adjustment
- B. holds the cycle count adjustment for approval and posts it after approval
- C. holds the cycle count adjustment for a recount and does not post the adjustment
- D. holds the cycle count adjustment for approval and does not post the adjustment after approval

Answer: B

QUESTION 19

Bonus Inc. implemented the ERS functionality in Oracle Purchasing. The Pay on Receipt process is run nightly. The Summary level is set to Pay Site at the supplier site and the Match Approval option on PO shipment is set to Four-Way. Purchase order #001 of 150 units at a unit price of \$1 was received in total as Receipt #R-PO001, but not yet inspected and delivered. On the same day, from Purchase Order #002 of 100 units (at a unit price of \$1), 50 units was initially received as Receipt #R-PO002, inspected, and delivered. Both purchase orders have the same item, supplier, and supplier sites. What would the Pay on Receipt process generate for these transactions?

- A. a \$50 invoice
- B. a \$250 invoice
- C. a \$150 invoice and a \$50 invoice
- D. a \$200 invoice with invoice validation on hold
- E. a \$250 invoice with invoice validation for \$50 on hold

Answer: D

QUESTION 20

Price Tolerance (%) on the Purchasing Options Control section refers to the percentage by which _____.

- A. the purchase order line price cannot exceed a price quote
- B. the invoice price cannot exceed the purchase order line price
- C. the purchase order line price cannot exceed the blanket amount
- D. the supplier catalog price cannot exceed purchase order line price
- E. the purchase order line price cannot exceed the requisition line price

Answer: E

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