

- **Vendor: Microsoft**
- **Exam Code: MB-330**
- **Exam Name: Microsoft Dynamics 365 for Finance and Operations, Supply Chain Management**
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#### **QUESTION 78**

##### **Case Study 1 - Wide World Importers Background**

Wide World Importers is a distribution company whose primary customers are small boutique shops which sell globally-sourced products including unique or hand-crafted items such as perfumes and ceramicware. Through the Wide World Importers sales cycle, the commission-based sales team identifies opportunities and negotiates with shops by using a quoting process. The products may or may not already exist in the company's current product list.

The company has the following divisions and areas of responsibility:

Division	Responsibilities
Sales	Source customer, generate quotes
Inventory	Create product and associated setups, manage costing
Compliance	Define testing, set up regulatory requirements
Customer service	Create and manage orders

##### **Current environment**

Wide World Importers use Dynamics 365 Finance and Dynamics 365 Supply Chain Management. There is a single legal entity.

The primary distribution center for the company is located Las Vegas, Nevada, USA. There is an additional warehouse in California which receives imported goods from container ships. When goods are received in California, the goods are transferred to Nevada for distribution. No orders are shipped directly from California.

##### **Requirements. Sales**

The company has two teams of sales representatives: East and West. Each team has one representative for each of the following categories of goods: perfumes, ceramicware, and all other goods. Sales representatives are paid commissions based on sales. Commissions must be paid based on the home office location for customers. For example, commission for a customer that is headquartered in the Western United States is paid to the West group of sales representatives.

Sales representatives are responsible for driving new business. Company executives must be able to see metrics that define the companies that the sales representatives are targeting, where there is potential to do business, and where quotes are being generated. Customer records must not be created until a sale is confirmed.

The sales team quoted a new perfume for a customer named Customer1. The customer has shipping locations in the following regions: United States, Austria, and Japan. Sales must only be made to the US and Japan due to product ingredients. Automated checks must be put into place so that users do not have to remember to select the correct item.

##### **Requirements. Testing**

The company periodically performs testing on ceramicware as it is received to determine whether the products contain lead. The company labels and markets ceramicware as **Lead Free** or **Not for food use**. Perfumes may contain restricted ingredients that cannot be sold to customers in the European Union. The company performs testing on perfumes and has processes to ensure that perfumes containing restricted ingredients are not sold to customers in Europe.

Ten percent of all ceramicware items received must be tested for lead. The process for managing testing must be automated. There must be tolerances setup that define the acceptable amount of lead levels in a product.

##### **Requirements. Inventory management**

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The inventory team must control costing of items by using FIFO principles. The finance team must be able to see updated FIFO adjustments throughout the month but will only settle FIFO for month-end reporting. Inventory close must be run at the end of each month. A report must be provided to the finance team that includes the physical quantities and inventory value for items, with totals at the bottom. The warehouse team needs a similar report but does not want the inventory value included. During inventory close, some items cannot be fully costed because the issue cannot be settled against the receipt. The finance team must know which items were excluded.

**Other inventory requirements**

- Inventory must be reserved against physical inventory.
- Items must be grouped so that the inventory costing can be posted to the ledger by using the following groups: perfumes, ceramicware, other goods. All goods are FIFO. Financial reports must be grouped by these three categories, even though transactions from all categories post to the same ledger accounts.
- Wide World Importers plans to import a specific type of pottery from a local company in Mexico that handmakes the goods. The pottery must be available in orange or red colors. The cost is the same regardless of the color selection.
- A new line of perfumes is being introduced. The procurement team must be able to identify which perfumes are men's or women's fragrances, and must be able to further categorize perfumes as Perfume, Eau de Perfume, Eau de Toilette, Eau de Cologne, or Eau Fraiche.
- You must set up a structure of products for classifying each item for purchase, sales, and reporting analysis.

**Issue**

Customer service representatives report that some inventory shows as ordered reserved when the ordered reserved parameter is turned off.

An item that is typically carried is out of stock. A customer named Customer2 wants to place a special rush order for the item. This will result in a significantly increased cost from the supplier. The finance team does not want to have this special order affect the FIFO tiers.

You need to configure the system to support the inventory costing requirement.

Which two actions should you perform? Each answer represents a complete solution.

NOTE: Each correct selection is worth one point.

- A. one default item group for all items
- B. one item group each for perfume, ceramicware, and other goods
- C. one FIFO item model group and one Standard item model group
- D. one FIFO item group
- E. one financial dimension for each item group

**Answer:** BC

**QUESTION 79**
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You need to configure the structure for the new line of perfumes.

What should you do first?

- A. Create a procurement category hierarchy.
- B. Create a new product with racking dimensions.
- C. Create a new product with storage dimensions.
- D. Create product configurations.
- E. Set up a new product master and implement serial tracking.

**Answer: A**

**QUESTION 80****Case Study 1 - Wide World Importers****Background**

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Drag and Drop Question

You need to configure the system to meet the inventory team cost control requirement.

Which processes should you run? To answer, drag the appropriate processes to the correct requirements. Each process 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.

Processes		Answer Area	
		Requirement	Process
Inventory Aging Report		Daily Process	Process
Inventory Close		Monthly	Process
Inventory Recalculation			
Reverse Close			

Answer:

Processes		Answer Area	
		Requirement	Process
Inventory Aging Report		Daily Process	Inventory Recalculation
Reverse Close		Monthly	Inventory Close

**Explanation:**

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/inventory-close>

### QUESTION 81

#### Case Study 1 - Wide World Importers

##### Background

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**Hotspot Question**

You need to configure the inventory reports.

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

NOTE: Each correct selection is worth one point.

**Answer Area**

**Requirement**

Configure the system to support the reports for the inventory control and warehouse teams.

Enable totals for the inventory close report.

**Report option**

Report ID
Resource ID
Detail Level
Inventory

Disable Summarize, Print Totals
Enable Summarize and Print Totals
Inventory
Resource Group

**Answer:**

**Answer Area**

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**QUESTION 82**

**Case Study 1 - Wide World Importers**

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**Drag and Drop Question**

You need to configure the system to meet the metric requirement for sales representatives.

How should you configure the system? To answer, drag the appropriate entities to the correct requirements. Each entity 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.



Entities	Answer Area	
	Requirement	Entity
<input type="text" value="Lead"/>	Create a record for a company for which you provide a quote.	<input type="text" value="Entity"/>
<input type="text" value="Prospect"/>		
<input type="text" value="Opportunity"/>	Create a record for a company that confirms an order.	<input type="text" value="Entity"/>
<input type="text" value="Customer"/>		
	Create a record for companies identified by sales representatives.	<input type="text" value="Entity"/>

**Answer:**

Entities	Answer Area	
	Requirement	Entity
<input type="text" value="Prospect"/>	Create a record for a company for which you provide a quote.	<input type="text" value="Opportunity"/>
	Create a record for a company that confirms an order.	<input type="text" value="Customer"/>
	Create a record for companies identified by sales representatives.	<input type="text" value="Lead"/>

### QUESTION 83

#### Case Study 2 - Best for You Organics

##### Background

Best for You Organics Company started as a home-based business. The founders began making handmade soaps and bath products in their kitchen. As sales increased, the business established a production facility and distribution center that supplies three retail stores.

Soaps and bath products are manufactured in the production facility and are stocked in the warehouse for distribution to the retail stores. Employees at retail stores use mobile point of sale (MPOS) tablet devices to sell the products to customers.

The company structure is a single legal entity with two sites as shown in the diagram below:



**Current environment**

Best for You Organics plans to introduce a new product line of face creams. Each product in the new line uses the same base ingredients but includes a different extract (for example, lime, avocado, kiwi). The marketing department is preparing to introduce the new product line. Minimal inventory will be held in the warehouse.

The company uses a cloud-based deployment of Dynamics 365 Supply Chain Management to manage finances for all company operations and locations. The company does not use Bill of Materials (BOM) versioning.

The production and warehouse facility is set up with the following organizational hierarchy:

User	Role
OpsManager	Operations manager
Employee1	Inventory control
StoreManager	Store manager
Employee2	Receiving clerk
Employee3	Shipping clerk
Employee4	Warehouse worker
Employee5	Production worker
Employee6	Store order clerk

External customers include:

- CustomerA: a walk-in store customer (business-to-consumer)
- CustomerB: a customer with an existing account (business-to-business)

External vendors include:

- VendorA: a trucking company
- VendorB: a raw materials supplier

**Requirements. General**

The new product line must be set up in the system and readily available for sale when the company introduces the product line to the public at an upcoming trade show.

**Requirements. Production**

You must configure the system to produce the new products:

- Ensure that the warehouse stocks the minimum quantities of raw materials to produce the products.
- Use a single version per item.
- Implement FIFO inventory valuation methods.
- Track raw and finished goods using different General ledger accounts.
- Use a primary location to determine where to stock product in the warehouse,
- Configure alternate locations in the warehouse to hold overstock products and ref the primary location as-needed.

**Requirements. Shipments**

You identify the following requirements related to shipping:

- Ship product to retail stores weekly
- Stores require a packing slip to check in merchandise. Drivers require transport documentation and charge per mile to the stores.
- Shipments to Store1 must be scheduled for Monday, Wednesday, or Friday. Store1 will sometimes pick up their own deliveries when an order is small because they have their own van. Shipments to Store2 and Store3 must be scheduled for Tuesday or Thursday.
- You must transmit Advance Shipping Notifications (ASN's) to the stores prior to deliveries.
- Set up the system configuration to allow for store transfers.
- Set up the system so that products may be shipped to the retail stores as bulk orders.
- Set up the transport providers to deliver products from the warehouse to the retail stores.

**Requirements. Reporting**

Once the new products are available in stores, review 30 day of historical sales data from day-to-day transactions will determine the reorder quantities.

Set up reporting to allow the product line to be costed and tracked independent of other items.

**Requirements. Pricing and inventory**

You identify the following requirements related to pricing and inventory:

- Determine the quantity of the new product that can be produced and ready for sale within the first 90 days. Ensure that specialty packaging is on hand for retail sales. The packaging must be shipped directly to the stores from the vendor.

- Stores must not inventory the packaging materials. Stores must maintain a 30-day supply of specialty packaging materials. Stores must reorder packaging materials as needed.
- Retail store customers must pay full retail price. Resellers must receive a 10 percent discount off the list price. You need to configure inventory levels for the retail stores.

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

NOTE: Each correct selection is worth one point.

- A. Enter a manual forecast for the initial stock levels at the retail stores.
- B. After the first month of face mask sales, look at the warehouse sales orders for the past 30 days to generate a demand forecast.
- C. After the first month of face mask sales, review store sales for the past 30 days to generate a demand forecast.
- D. After the first month of face mask sales, create a forecast for the warehouse and a second forecast for the retail stores.
- E. After the first month of face mask sales, create a manual forecast for the warehouse and automatically generate a demand forecast for the stores.

**Answer:** AC