Oracle 1Z0-511 Practice Questions

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Question 1

Question Type: MultipleChoice

A customer has provided a purchase order for $100k. The customer issues an additional $20k to the original purchase order. How would you invoice the total amount of $120k on only one invoice as per the terms of the contract?

Options:

A- Create a separate agreement and funding for $20k.
B- Update the existing agreement value to $120k and add an additional funding line against the project for $20k.
C- Update the cost budget to $l20k.
D- Create a manual invoice in Accounts Receivable for the additional value.
E- Update any existing transactions to allow billing to the new amount.

Answer:

A

Question 2

Question Type: MultipleChoice

A US-based company is providing resources to a UK subsidiary and has implemented Oracle Projects intercompany billing solutions. How would the US company create the Accounts Payable invoice in the UK operating unit?

Options:

A- when the draft intercompany invoice is approved in the us Projects ledger
B- when the draft intercompany revenue is approved in the US Projects ledger
C- Invoice automatically created as part of the PRC: Tieback Invoices from Receivables in the US Project ledger
D- when the draft intercompany invoice is released in the US Projects Ledger
E- on creation of the Intercompany revenue in the US General Ledger

Answer:

C

Explanation:

The provider operating unit runs the process PRC: Tieback Invoices from Receivables, which automatically creates corresponding intercompany invoice supplier invoices ready to be interfaced to Oracle Payables in the receiver operating unit.

Note:

See step 6 below.

Intercompany Billing Processing Flow

Intercompany billing processing requires the following steps:

1. The provider operating unit enters or imports cross charge transactions.

2. The provider operating unit distributes costs of the cross charges, which are identified as cross charge transactions by the cost distribution processes. The distribution of the costs is independent of revenue generation and are distributed even if revenue has not been generated.

The provider operating unit also imports project-related supplier costs from Oracle Purchasing and Oracle Payables and project-related expense report costs from Oracle Payables.

3. The provider operating unit runs the process PRC: Generate Intercompany Invoices for a Single Project, or the process PRC: Generate Intercompany Invoices for a Range of Projects, to generate draft intercompany invoices with the associated intercompany receivable and revenue accounts, and the transfer price.

4. The provider operating unit reviews, approves, and releases the intercompany invoices.

5. The provider operating unit interfaces the approved intercompany invoices to Oracle Receivables. You can include the following activities in this process:

o Accounting for invoice rounding

o Creation of receivable invoices including sales tax

6. The provider operating unit runs the process PRC: Tieback Invoices from Receivables, which automatically creates corresponding intercompany invoice supplier invoices ready to be interfaced to Oracle Payables in the receiver operating unit.

Use Oracle Receivables to print the invoice as well as to create accounting for Oracle Subledger Accounting.

7. If cost reclassification is enabled, the provider operating unit performs the following processing steps:

a. Runs the process PRC: Generate Cross Charge Accounting Events to generate accounting events for the provider cost reclassifications.

b. Runs the process PRC: Create Accounting to create accounting entries for the provider cost reclassification accounting events in Oracle Subledger Accounting. When you run the process in final mode, you can optionally choose to transfer the accounting to Oracle General Ledger. If

you select this option, the create accounting process initiates Journal Import in Oracle General Ledger.

The receiver operating unit imports the intercompany supplier invoices into Oracle Payables. This import process calculates recoverable and non-recoverable tax amounts. Upon review and approval in Oracle Payables, the receiver operating unit runs the process Create Accounting to create subledger accounting entries for the supplier invoices in Oracle Subledger Accounting. When you run the process in final mode, you can optionally choose to transfer the accounting to Oracle General Ledger.

The receiver operating unit interfaces the supplier invoice to Oracle Projects, which pulls in the non-recoverable tax amounts as additional project costs.

(Optional) You can require the receiver operating unit to run additional customized processes to create additional accounting entries in Oracle Subledger Ac

Question 3

Question Type: MultipleChoice

Which three statements are true about Multi-Currency Billing?

Options:

A- Agreements, Events, and Bill Rates have to be in the same current as the Project Functional Currency.
B- Agreements, Events, and Bill Rates can all be different currencies than the Project Functional Currency.
C- The Project Currency can be different from the Functional Currency of the operating unit that owns the project.
D- The Project Currency has to be the same as the Functional Currency of the operating unit that owns the project.
E- An agreement can fund invoices in more than one currency.

Answer:

B, C, E

Explanation:

C: The multi-currency billing option can be set both at the operating unit level and at the project level. To enter agreements and rate schedules in any currency for a project, you must enable the multi-currency billing functionality for the operating unit. To enter events in any currency

for a project, you can enable the functionality at the project level only. This value defaults from the project template You can override the default value for an individual project template or project.

Note:

Oracle Projects gives you the option to bill in a global environment when the multi-currency billing is enabled for an operating unit and for a project. When multi-currency billing is enabled, you can:

* Enter agreements, bill rates, and events in any currency regardless of the project functional currency (B)

* Designate the project functional currency, project currency, or funding currency as the invoice processing currency for a project

* Designate the project functional currency and the invoice transaction currency as the revenue transaction currency

* Define currency conversion attributes for converting revenue and invoicing amounts to the project currency, project functional currency, and funding currency

* Define currency conversion attributes for converting funding amounts to the project functional currency, and the project currency

* Define a default invoice currency for a project customer that is different from the project functional currency and assign conversion attributes for deriving revenue in this currency

Question 4

Question Type: MultipleChoice

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?

Options:

A- Manual
B- Invoice Reduction
C- Deferred Revenue
D- Automatic
E- Scheduled Payment

Answer:

D

Explanation:

Event Type Classification is: Scheduled Payment, Deferred Revenue, Invoice Reduction, Manual, or Automatic (for billing events only)

Question 5

Question Type: MultipleChoice

Which project class type can include revenue budgets?

Options:

A- Capital
B- Indirect
C- Contract
D- Capital and Indirect
E- Capital and Contract

Answer:

C

Explanation:

Note:

* Allow Revenue Budget Entry. Indicates if you allow entry of revenue budget types. You may choose to not allow entry of revenue budgets for indirect or capital projects. You must enter a revenue budget for a contract project before it can accrue revenue and be billed.

Question 6

Question Type: MultipleChoice

A company has different organization requirements for HR, Payroll, Finance, and Projects. How can the company achieve this?

Options:

A- By configuring a shared organization hierarchy
B- By configuring separate organization hierarchies for each application
C- By configuring a shared organization hierarchy for Projects and Payroll
D- By configuring a shared organization hierarchy for Finance and Payroll

Answer:

C

Explanation:

Note:

* Organization hierarchies provide a structure for the relationships between the organizations within your enterprise. They enable you to manage expenditure and reporting data and coordinate project-owning organizations. If your organization uses business groups, you can create project burdening organization hierarchies for each business group.

You define an organization hierarchy by telling Oracle Projects which organizations are subordinate to which other organizations. You can define one organization hierarchy or several, depending on the needs of your enterprise.

* The organizations and organization hierarchies of an enterprise are closely interrelated with the policies and procedures of that enterprise. To configure Oracle Projects to meet your business requirements, you must make critical implementation decisions regarding how you set up your organizations in Oracle Projects.

Organizations are departments, sections, divisions, companies, or other organizational units in your enterprise. You can gather collections of organizations into organization hierarchies. Organization hierarchies make it easier to manage expenditure and reporting data and coordinate the project-owning organizations within your enterprise.

Question 7

Question Type: MultipleChoice

A company generates revenue at period end, but bills monthly in advance. The customer is

invoiced in April with project starting in May and the first project is due to be recognized at the end of May. What are the accounting entries at the end of May?

Options:

A- Debit: Cost of Goods Sold
Credit: Unbilled Receivables
B- Debit: Unearned Revenue
Credit: Revenue
C- Debit: Receivable
Credit: Bank
D- Debit: Receivable
Credit: Unearned Revenue
E- Debit: Bank
Credit: Revenue

Answer:

D

Explanation:

Invoice

When you run the program to interface invoices to Oracle Receivables, Oracle Projects runs AutoAccounting to determine the appropriate default accounts. If the invoice fails AutoAccounting, then the program marks the draft invoice with an error. See: Overview of AutoAccounting, Oracle Projects Implementation Guide.

The following table shows entries Oracle Projects creates when the Interface Invoices to Oracle Receivables process is run:

Account Debit Credit

Receivables 200.00

Unbilled Receivables and/or Unearned Revenue 200.00

Oracle Project Billing User Guide

Question 8

Question Type: MultipleChoice

A project has been mistakenly set up as a capital project, instead of a contract project. The project has already incurred expenditure. How can this be remedied?

Options:

A- Change the project type to Contract
B- Leave the project as capital and accrue for revenue as is.
C- Move all the costs to an contract task within the capital project.
D- A new project should be set up and costs transferred.
E- Delete all the expenditure Items and change the project type.

Answer:

D

Explanation:

Note:

* Project Type

The project type determines how Oracle Projects processes costs (expenditure items) for a project. The type you choose provides many defaults and controls for project entry and processing. You must choose a type from one of the following project type classes:

/ Use an Indirect project type to collect and track expenditure item costs and labor hours for overhead activities, such as administrative and overhead work, marketing, and bid & proposal preparation. You can also define indirect projects to track time off including sick leave, vacation, and holidays

/ Use a Capital project type to collect and track costs and labor hours for asset development activities which you plan to capitalize as one or more assets.

/ Use a Contract project type to collect and track costs, labor hours, revenue, and billing for services performed for and reimbursed by a client

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