

# MB-310<sup>Q&As</sup>

Microsoft Dynamics 365 Finance

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**QUESTION 1**

**HOTSPOT**

A company is implementing Dynamics 365 Finance.

The company must be able to record sales orders in the following currencies: USD, EUR, and GBP.

1.

Company A uses USD as the accounting and reporting currency.

2.

Company B uses GBP as the accounting and reporting currency.

3.

Each company is consolidated into Company CON that uses EUR as the accounting and reporting currency.

Assets and liabilities are revalued at the current exchange rate.

You need to configure the system to meet the requirements.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Establish the currency exchange rates needed to report the total value of open Accounts receivable from Company A in Company CON.

- An imported exchange rate for EUR to USD dated yesterday
- A derived historical exchange rate for USD to EUR dated yesterday
- A manually entered exchange rate for USD to EUR dated last week
- An imported historical exchange rate for EUR to USD dated last week

Create a Ledger elimination rule for intercompany transactions.

- Create a new legal entity and set the Use for financial elimination process to Yes.
- Set the Use for financial elimination process to Yes for either legal entities Company A or Company B.
- Set the Use for financial elimination process to Yes for both legal entities Company A and Company B.

Correct Answer:

Establish the currency exchange rates needed to report the total value of open Accounts receivable from Company A in Company CON.

An imported exchange rate for EUR to USD dated yesterday
A derived historical exchange rate for USD to EUR dated yesterday
A manually entered exchange rate for USD to EUR dated last week
An imported historical exchange rate for EUR to USD dated last week

Create a Ledger elimination rule for intercompany transactions.

Create a new legal entity and set the Use for financial elimination process to Yes.
Set the Use for financial elimination process to Yes for either legal entities Company A or Company B.
Set the Use for financial elimination process to Yes for both legal entities Company A and Company B.

Box 1: An imported exchange rate for EUR to USD dated yesterday.

If a legal entity has received invoices in foreign currencies, the foreign currency must be converted into the local currency. This means that up-to-date exchange rates for different currencies are required.

Before you can import exchange rates, you must set up the information that is required by the providers who offer the exchange rates. Use the Configure exchange rate providers page to select the exchange rate providers.

Import as of - This parameter manages whether to import as of the current date or for a specific date range. If you want to use a date range, enter or select the start and end dates.

Box 2: Set the Use for financial elimination process to Yes for both legal entities Company A and Company B

The setup for eliminations is found in the Setup area of the Consolidations module. After you enter a description for the rule, you must pick the company that the elimination journal will post to. This should be a company that has Use for financial elimination process selected in the Legal entity setup.

Note: Elimination rules can be set up in the system, and then processed during the consolidation process or through an elimination proposal. The rules can be posted to any company that has Use for financial elimination process selected in the legal entity setup.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/import-currency-exchange-rates>

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/consolidation-elimination-overview>

## QUESTION 2

You are a Dynamics 365 Finance expert for an organization.

You need to configure the Financial period close workspace.

Which three configuration processes should you use? Each correct answer presents a part of the solution.

NOTE: Each correct selection is worth one point,

- A. Create templates that contain the required tasks within the closing process and assign to closing role.
- B. Create a separate closing schedule for every legal entity.
- C. Assign a ledger calendar to the closing process.
- D. Create task areas and descriptions.
- E. Designate resources and their scope based on closing roles.

Correct Answer: ADE

See menu: General ledger > Period close > Financial period close configuration This page has the following tabs:

-Closing schedule

-

Templates (the template defines the tasks to be done during the closing process)

-

Calendars (these are not the ledger calendars! - defines only start and end date together with specifications which weekdays) are valid

-Task areas (containing task id(s) and description)

-Resources (Employees linked to closing roles)

-Closing roles

What misleads is the fact the ledger calendars are found in the menu '\\General Ledger > Period close\\'

Reference: <https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/financial-period-close-workspace>

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### QUESTION 3

A company implements basic budgeting functionality in Dynamics 365 Finance.

Budget managers must be notified of a budget register posting task after a finance director approves an entry.

You need to configure the system.

Which workflow element should you use?

- A. Commitment approval
- B. Update budget balances budget register

- C. Budget planning stage allocation
- D. Approve budget account entry

Correct Answer: B

#### QUESTION 4

##### HOTSPOT

You are implementing Dynamics 365 Finance.

You must manage aging customer balances by sending communications to the customers detailing their past due invoices and automatically including a late charge.

You need to configure Dynamics 365 Finance functionality.

How should you configure the functionality? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

### Requirement

Send communications to customers detailing their past due invoices.

<input type="checkbox"/>	
<input type="checkbox"/>	Collection letters
<input type="checkbox"/>	Account statements
<input type="checkbox"/>	Aged balances

Enable system-generated late charges.

<input type="checkbox"/>	
<input type="checkbox"/>	Billing codes
<input type="checkbox"/>	Interest codes
<input type="checkbox"/>	Charges

Correct Answer:

### Requirement

Send communications to customers detailing their past due invoices.

Collection letters
Account statements
Aged balances

Enable system-generated late charges.

Billing codes
Interest codes
Charges

Box 1: Collection letters Control collection letters at the customer level If collection letters are set up at the transaction level, multiple letters might be generated for a customer, based on transaction aging. If transactions appear in different letter sequences, separate collection letters will be generated for each group of overdue transactions for the customer. Therefore, an individual customer might receive, for example, one collection letter for transactions that are 60 days overdue and another collection letter for transactions that are 90 days overdue. Incorrect:

\* Not Aged balances

View the balances on the Aged balances list and on the Collection page

Go to Credit and collections > Collections > Aged balances. The list page shows the balances for the customer. The aging icon shows the aging period for the oldest transaction.

Select a customer with a balance.

Expand the Aging fact box area to view the aged balances. The aging period definition for the fact box is taken from the default aging period definition specified in the parameters. You can change it using the Collect menu.

Recommended content

Create a free text in

Box 2: Charges



To define auto charges by channel in Commerce, follow these steps.

1.

Go to Accounts receivable > Charges setup > Auto charges.

2.

Etc.

Reference: <https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/process-collection-letters>  
<https://docs.microsoft.com/en-us/dynamics365/commerce/auto-charges-by-channel>

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### QUESTION 5

A company has implemented Dynamics 365 Finance.

The company has three different banks where they hold funds. Each bank holds three separate accounts, totaling nine accounts for the company. The system must use default the bank information when a new account is created. All bank

balances for a single bank account must be updated simultaneously.

You need to configure the system.

Which two entities should you use? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. bank account
- B. bank reasons
- C. bank reconciliation
- D. bank group

Correct Answer: AD

Explanation:

To create bank account, you must create main account and bank group (mandatory data).

Cash and bank management setup and maintenance forms

The following table lists the forms that support setting up and maintaining Cash and bank management.

\*

Setting up cash and bank management information Form: Bank groups Usage: Set up general information about the bank groups in which you have bank accounts.

\*

Setting up bank account information Form: Bank accounts Usage: Set up information for bank accounts.

\*

Etc.

Reference: <https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/setting-up-and-maintaining-cash-and-bank-management> <https://community.dynamics.com/365/financeandoperations/b/howtodynamics365/posts/how-to-create-bank-account-in-dynamics-365>

## QUESTION 6

### HOTSPOT

You manage a Dynamics 365 Finance implementation.

New system users are incorrectly posting payment transactions. You must use payment controls for bank payments by using checks for customer's due invoices to restrict new users from posting to customer payment journals.

You need to set up payment control for validation while using a method of payment in a journal entry.

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

Hot Area:

#### Requirement

Verify that the offset account type selected is the bank value for a payment journal posting.

#### Action

▼
Configure electronic reporting for a bank.
Configure journal names for a payment journal.
Configure an offset account with a type of bank.
Configure a method of payment for journals.

Verify that the check number is entered for a payment journal posting.

▼
Configure check and electronic payments.
Configure the export format.
Configure methods of payment as check in the file format.
Configure check number to be a mandatory value.

Correct Answer:



**Requirement**

Verify that the offset account type selected is the bank value for a payment journal posting.

**Action**

▼
Configure electronic reporting for a bank.
Configure journal names for a payment journal.
Configure an offset account with a type of bank.
Configure a method of payment for journals.

Verify that the check number is entered for a payment journal posting.

▼
Configure check and electronic payments.
Configure the export format.
Configure methods of payment as check in the file format.
Configure check number to be a mandatory value.

Reference: <https://financefunction.tech/2019/02/15/how-to-manage-payables-in-dynamics-365-for-finance-and-operations/>

**QUESTION 7**

**HOTSPOT**

You need to prevent prohibited expenses from posting.

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

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

### Requirement

### Configuration

Unapproved items

▼
Monitored entity
Prohibited words
Line-level validation
Sampling

Client entertainment

▼
Sampling
Aggregate
Prohibited words

Correct Answer:

## Answer Area

### Requirement

Unapproved items

Client entertainment

### Configuration

▼
Monitored entity
Prohibited words
Line-level validation
Sampling

▼
Sampling
Aggregate
Prohibited words

Explanation:

Box 1: Live-level validation

Expense report entries must be validated when a transaction line is entered.

Box 2: Aggregate

Client entertainment expenses totaling more than \$250 must be audited.

### QUESTION 8

#### HOTSPOT

A company uses Dynamics 365 Finance.

The company has prepaid insurance expenses at the beginning of the calendar year that cover the entire year. The company must expense the prepaid insurance automatically and equally during a month-end process.

You need to configure the accrual scheme.

How should you configure the accrual scheme? To answer, select the appropriate options in the answer area.

NOTE: Each correct answer is worth one point.

Hot Area:

**Configuration option**

**Classification**

Debit

	▼
Prepaid insurance account	
Insurance expense account	

Credit

	▼
Prepaid insurance account	
Insurance expense account	

Accrual basis

	▼
Calendar	
Allocation key	
Fiscal	

Post in week, month, or quarter

	▼
Beginning	
Middle	
End	

Correct Answer:

**Configuration option**

**Classification**

Debit

	▼
Prepaid insurance account	
Insurance expense account	

Credit

	▼
Prepaid insurance account	
Insurance expense account	

Accrual basis

	▼
Calendar	
Allocation key	
Fiscal	

Post in week, month, or quarter

	▼
Beginning	
Middle	
End	

Reference: <https://www.synoverge.com/blog/accrual-scheme-in-microsoft-dynamics-365-fo/>

**QUESTION 9**

You need to prevent the issue from reoccurring for User5. What should you do?

- A. Use the audit list search query type.
- B. Set up the aggregate query type for entertainment expenses.
- C. Set up the sampling query type for entertainment expenses.
- D. Add more keywords to the audit policy.

Correct Answer: D

**QUESTION 10**

HOTSPOT You are implementing Dynamics 365 Finance. The company charges a convenience cost of \$1S foe


payments received from customers as an electronic fund transfer (EFT). The company also charges 10 percent interest on invoices that are not paid within the 30-day net terms You need to configure the system Which option should you configure? To answer, select the appropriate options in the answer area NOTE: Each correct selection is worth one point.

Hot Area:

Requirement	Option				
EFT charge	<table border="1"><tr><td data-bbox="730 663 1002 712">Payment fee</td></tr><tr><td data-bbox="730 725 1082 775">Cash settlement</td></tr><tr><td data-bbox="730 788 1082 837">Payment service</td></tr><tr><td data-bbox="730 851 900 900">Interest</td></tr></table>	Payment fee	Cash settlement	Payment service	Interest
Payment fee					
Cash settlement					
Payment service					
Interest					
Late payment charge	<table border="1"><tr><td data-bbox="730 1028 1007 1077">Payment fee</td></tr><tr><td data-bbox="730 1090 1086 1140">Cash settlement</td></tr><tr><td data-bbox="730 1153 1129 1202">Payment schedule</td></tr><tr><td data-bbox="730 1216 900 1265">Interest</td></tr></table>	Payment fee	Cash settlement	Payment schedule	Interest
Payment fee					
Cash settlement					
Payment schedule					
Interest					

Correct Answer:



Requirement	Option
EFT charge	
Late payment charge	

Box 1: Payment fee

You can define vendor payment fees.

Box 2: Interest You can use different interest rates for different periods for delayed payments in trade transactions. For each finance charge term code, you can specify multiple interest rates so that you can calculate finance charges with multiple interest rates for a specific period. This is helpful if you charge different interest on payments that are late. The interest calculation is the same for each financial charge, with variation only in the rate of interest for a specific period.

Reference: <https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/tasks/define-vendor-payment-fees>  
<https://docs.microsoft.com/en-us/dynamics365/business-central/finance-how-to-set-up-multiple-interest-rates>

#### QUESTION 11

You are the accounts receivable manager of an organization. The organization recently sold machinery to a customer.

You need to register a transaction for the sale of the machinery by using a free text invoice for fixed assets.

Which transaction type should you use?

- A. Acquisition
- B. Value adjustments

C. Depreciation

D. Disposal

Correct Answer: D

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### QUESTION 12

You have implemented Dynamics 365 Finance.

You must update the fiscal year to a 4-4-5 quarterly configuration.

You need to configure the fiscal year.

What should you do?

A. Set up the length of the period to 1 year and divide the period according to the quarterly configuration.

B. Configure the period length to 12 months and adjust the ending date of each period.

C. Configure the period length to 1 year and adjust the ending date of each period.

D. Set up the length of the period to 13 months.

Correct Answer: A

Explanation:

1 - Create a new fiscal calendar;

Calendar 445

Fiscal year name 2022

Length of period 1

Unit years

2 - Create a new fiscal year

3 - Set up the first period as opening and the third as closing

4 - Divide de Period 1 - repeat it until you have all 12 periods

Update the Month and Quarter column during the dividing.

Reference:

<https://community.dynamics.com/365/financeandoperations/f/dynamics-365-for-finance-and-operations-forum/448016/setup-4-4-5-fiscal-calendar>

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### QUESTION 13

A customer uses bank reconciliation functionality In Dynamics 365 Finance.

The customer finds a transaction in a closed fiscal period that must be corrected.

You need to correct the transaction.

How should you nuke this correction?

- A. Use the Correction amount field.
- B. Open the fiscal period.
- C. Create a new line for the transaction in the closed period.
- D. Create a new line for the transaction in an open period

Correct Answer: B

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#### **QUESTION 14**

##### **HOTSPOT**

You need to perform financial consolidation and elimination for Munson's.

How should you perform consolidation for each part of the organization? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

**Organization component**

**Technique**

Costa Rica

Legal entity configured for partial ownership Dimension considered for partial ownership Legal entity configured for elimination Dimension configured for elimination
--

Canadian subsidiaries

Legal entities configured to consolidate in Canadian dollars (CAD) and then to US dollars (USD) Legal entities configured with an accounting currency of US dollars (USD) Legal entities configured to eliminate in Canadian dollars (CAD) and then to US dollars (USD) Legal entities configured as elimination companies in Canadian dollars (CAD)
---

Regional offices

Financial dimension as sites Legal entities in US dollars (USD) Legal entities in Canadian dollars (CAD)
--

Correct Answer:

**Answer Area**

**Organization component**

**Technique**

Costa Rica

Legal entity configured for partial ownership
Dimension considered for partial ownership
Legal entity configured for elimination
Dimension configured for elimination

Canadian subsidiaries

Legal entities configured to consolidate in Canadian dollars (CAD) and then to US dollars (USD)
Legal entities configured with an accounting currency of US dollars (USD)
Legal entities configured to eliminate in Canadian dollars (CAD) and then to US dollars (USD)
Legal entities configured as elimination companies in Canadian dollars (CAD)

Regional offices

Financial dimension as sites
Legal entities in US dollars (USD)
Legal entities in Canadian dollars (CAD)

Explanation:

Box 1: Legal entity configured for elimination

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

Elimination transactions are required when a parent legal entity does business with one or more subsidiary legal entities and uses consolidated financial reporting. Consolidated financial statements must include only transactions that occur

between the consolidated organization and other entities outside that organizations. Therefore, transactions between legal entities that are part of the same organization must be removed, or eliminated, from the general ledger, so they don't

appear on financial reports.

Incorrect:

\*

Legal entity configured for partial ownership

\*

Dimension configured for partial ownership

Box 2: Legal entities configured to consolidate in Canadian dollars (CAD) and then to US dollars (USD)

The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Legal entity setup

Before you process a consolidation, you must set up the legal entity. You can run consolidation as many times as you require, and all data will be translated from the source company's accounting currency to the currency that is defined for the

consolidation company. Therefore, for the following organizational structure, if you must translate all North American companies first to US dollars (USD) and then to euros (EUR), the currency of the parent company, you must have at least

two consolidation companies.

In the preceding organizational structure, you must have a legal entity for the North American consolidation, because consolidations always consolidate from the accounting currency of the source company to the currency of the consolidation

company. In the example, if all companies are included in a single consolidation, the Mexican subsidiary will be translated from Mexican pesos (MXN) to EUR, not from MXN to USD to EUR.

Box 3: Financial dimension as sites

The company's corporate headquarters is located in Dallas, TX. Munson's has one operations center and seven regional distribution centers in the United States.

Online financial consolidations, Financial dimensions

On the Financial dimensions tab, you define the dimensions that should be included in the consolidation company. To select a dimension, set the Specification field to Dimension, and then define the order of the dimension in the consolidation

company.

Reference:

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/elimination-rules>

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/financial-consolidations-currency-translation>

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/consolidate-online#financial-dimensions>

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## QUESTION 15

A company uses Dynamics 365 Finance. The company accepts customer payments in installments.

You must configure the number of installments, the amount of each installment, and a due date of each installment for a payment schedule to determine the revenue allocation for each month. You must provide the total revenue amounts



allocated over a period for a specific payment.

You need to configure the system to allocate the total outstanding amount of an invoice.

What should you configure?

- A. Terms of payment
- B. A payment schedule with a method of allocation set to Fixed amount
- C. Payment days.
- D. A payment schedule with a method of allocation set to Total.

Correct Answer: D

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