DUMPSARENA

Oracle EBS R12.1 Payables Essentials

Oracle 1z0-517

Version Demo

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QUESTION NO: 1

Assume that the withholding tax is calculated at the invoice payment time and the withholding tax rate is 20%. Identify three statements with the correct withholding tax calculations. (Choose three.)

A. invoice amount $500, withholding tax $100 (20% of $500)

B. invoice amount $400, prepayment invoice for $200, withholding tax $4 (20% of $200)

C. invoice amount $600, prepayment invoice for $100, withholding tax $12 (20% of $600)

D. invoice amount $500, prepayment invoice for $250, withholding tax $50 (20% of $500 – $250)

E. invoice amount $600, prepayment invoice for $100, withholding tax $100 (20% of $600 – $100)

ANSWER: A D E

Explanation:

When Oracle Payables is configured to calculate withholding tax at payment time, the withholding amount is based on the amount being paid to the supplier. An unapplied portion of an invoice that is settled using a prepayment does not form part of the subsequent cash payment, so the taxable payment amount is reduced by the prepayment applied.

Accordingly, *invoice amount $500, withholding tax $100 (20% of $500)* is correct because the full $500 payment produces $100 of withholding. *invoice amount $500, prepayment invoice for $250, withholding tax $50 (20% of $500 – $250)* is correct because the remaining payment is $250 and 20% of $250 is $50. Similarly, *invoice amount $600, prepayment invoice for $100, withholding tax $100 (20% of $600 – $100)* is correct because $500 remains to be paid after applying the prepayment, and 20% of $500 is $100. Oracle Payables documents that withholding tax can be calculated at payment time and is associated with invoice-payment processing. See the Oracle Payables User's Guide: Withholding Tax and the Oracle documentation on withholding tax setup and processing.

QUESTION NO: 2

During the cutover phase of a project to implement Oracle E-Business Suite Release 12, you are responsible for converting historical account balances into Oracle General Ledger from a legacy system. There is no Account Code Combination setup in the Production Instance.

Identify the setup in the Accounting Key Flexfield structure that is required to perform this conversion.

A. Define Value Sets and assign them to Segments.

B. Define Segments in the Accounting Flexfield structure.

C. Qualify one of the Segments as the Balancing Segment.

D. The Key Flexfield Segments have to be enabled and displayed.

E. Select the “Allow Dynamic Inserts” check box in the Accounting Key Flexfield structure.

ANSWER: E

Explanation:

Select the “Allow Dynamic Inserts” check box in the Accounting Key Flexfield structure. This setting permits Oracle General Ledger to create valid account code combinations automatically when a combination is referenced during processing but does not yet exist in the Code Combinations table. In a cutover conversion, historical balances commonly contain a large number of legacy-derived account combinations. Where those combinations have not been pre-created in Production, dynamic insertion enables General Ledger to generate them as the conversion journals are imported or entered, provided that each segment value is valid and the resulting combination complies with the enabled cross-validation rules. This avoids the need to manually define every individual account combination before loading the historical balances. The setting is made for the Accounting Flexfield structure used by the ledger, and it should be enabled before conversion processing begins. Oracle’s documentation describes dynamic insertion as the mechanism for automatically creating code combinations when

they are first used, while still applying flexfield validation. See the Oracle E-Business Suite Flexfields Guide and the Oracle General Ledger Implementation Guide.

QUESTION NO: 3

ABC Corporation has closed their APR-XX accounting period. The APR-XX period started on 27-

MAR-20XX and ended 26-APR-20XX. They have run the Posted Invoice Register, the Posted

Payments Register, and two Accounts Payable Trial Balance Reports (as of 30-MAR-20XX and 30-APR-20XX), but they do not balance. Which two actions must be performed? (Choose two.)

A. Ensure that all invoices for the period are paid.

B. Check the dates on their Accounts Payable Trial Balance Reports.

C. Ensure that invoice and payment journals are posted in General Ledger.

D. Ensure that there are no unaccounted transactions in APR-XX by using the Unaccounted Transactions Report.

ANSWER: B C

Explanation:

Check the dates on their Accounts Payable Trial Balance Reports. The Trial Balance must be run using dates that correspond to the actual Payables accounting-period boundaries being reconciled. In this case, APR-XX runs from 27-MAR-20XX through 26-APR-20XX, not from calendar month-end to calendar month-end. Therefore, using 30-MAR-20XX and 30-APR-20XX introduces transactions outside the defined period and omits relevant transactions at the true boundaries. The beginning and ending Trial Balance dates must align with the period dates so that the period activity derived from the Posted Invoice Register and Posted Payments Register can be reconciled correctly.

Ensure that invoice and payment journals are posted in General Ledger. Reconciliation requires the Payables subledger accounting to be transferred to General Ledger and posted, so the General Ledger liability balance reflects the same accounted Payables activity represented by the Payables reports. Once the reports use the proper period dates and the related journals have been posted, the Payables balance can be meaningfully compared with the General Ledger balance. Oracle's period-close guidance describes reconciling Payables balances with General Ledger after accounting and posting activity are complete. See the Oracle Payables User Guide and Oracle Subledger Accounting Implementation Guide.

QUESTION NO: 4

Identify two benefits of using Multi-Org Access Control. (Choose two.)

A. View asset information across multiple asset books.

B. Restrict access to users based on their Organization assignments.

C. Submit and view data across different Ledgers using a single responsibility.

D. Enter Payables invoices for different Operating Units using a single responsibility.

E. View Consolidated requisitions across Operating Units using a single responsibility.

ANSWER: D E

Explanation:

Multi-Org Access Control (MOAC) lets an Oracle E-Business Suite responsibility access more than one operating unit through an assigned security profile. In Payables, this makes it possible for an authorized user to enter and process invoices for different operating units without repeatedly changing responsibilities. The operating-unit context is selected as part of transaction processing, while the responsibility and its security profile govern which operating units are available to that user.

MOAC also supports cross-operating-unit inquiry and processing in integrated business flows. A user with the appropriate security-profile access can view consolidated requisition information across the operating units included in that profile while using one responsibility. This improves operational efficiency for shared-service personnel and managers who work across multiple operating units, while retaining operating-unit security boundaries defined by the security profile. Oracle describes MOAC as a mechanism for providing access to multiple operating units from a single responsibility and for enabling users to process transactions across their authorized operating units. See the Oracle E-Business Suite Multiple Organizations documentation and the Oracle security-profile documentation.

QUESTION NO: 5

When reviewing the Account Payable Trial Balance Report for a period, a user notices that the remaining balance for an invoice is negative. What is the reason?

A. The invoice was overpaid.

B. The invoice was never accounted for.

C. The invoice was moved to the next period.

D. The payment for that invoice was recorded in a GL period before the GL period of invoice distributions.

ANSWER: D

Explanation:

The payment for that invoice was recorded in a GL period before the GL period of invoice distributions. The Accounts Payable Trial Balance Report derives an invoice's remaining balance from the accounting activity included through the selected accounting period. If a payment is accounted in an earlier GL period, its liability reduction can appear on the report before the related invoice distributions have been accounted and included. Consequently, the payment amount is reflected first, producing a negative remaining balance for that invoice at that reporting point. This condition is caused by the timing of accounting across GL periods rather than by the invoice's operational payment status alone. Reviewing the accounting dates and accounting events for both the invoice distributions and the associated payment confirms the sequence and identifies the periods in which each liability entry was transferred to General Ledger. Oracle Payables reporting and accounting are period-sensitive, so consistent accounting dates are essential when reconciling invoice, payment, and liability balances. See the Oracle Payables User's Guide and Oracle's Subledger Accounting Implementation Guide for Payables accounting and reporting guidance.

QUESTION NO: 6

A client is implementing ACH and has a business requirement that all invoices go through an approval process flow.

Identify three features of the Invoice Approval Workflow that would meet their requirement.

(Choose three.)

A. allows automatic resubmission of an invoice if rejection occurs

B. has predefined criteria to identify which invoices require approval

C. allows approval routing management from one central responsibility

D. provides automatic routing of invoices upon approval to another designated approver

E. allows for corrections to invoices to be made while still in the approval routing process

F. provides time limits as to how long an invoice can remain unapproved before being automatically rerouted to the next approver

ANSWER: B D F

Explanation:

Invoice Approval Workflow in Oracle Payables supports rule-based control of invoice approvals. “has predefined criteria to identify which invoices require approval” is correct because approval rules can evaluate invoice attributes and conditions to determine the approval processing and approvers required. This enables the organization to apply a consistent approval policy to invoices rather than relying on manual identification.

“provides automatic routing of invoices upon approval to another designated approver” is also a core workflow capability. Oracle Workflow and Approval Management can derive an approval hierarchy or approver list and send each notification to the appropriate subsequent approver as the invoice progresses through its required approval chain.

“provides time limits as to how long an invoice can remain unapproved before being automatically rerouted to the next approver” is correct because workflow notification controls support timeout and escalation behavior. These controls prevent invoices from remaining indefinitely with an unavailable or nonresponsive approver and help maintain timely payment processing. Together, rule selection, sequential automated routing, and timeout-based escalation provide an auditable, automated approval flow for invoices. Oracle’s Payables documentation describes the invoice approval workflow and its use of approval rules; Oracle’s Approval Management documentation describes rule-based generation of approver lists and routing behavior. See Oracle Payables User’s Guide and Oracle Approval Management User’s Guide.

QUESTION NO: 7

Identify the profile option that is required to enable Multi-Org Access Control for multiple Operating Units.

A. HR: User Type

B. MO: Operating Unit

C. MO: Security Profile

D. HR: Business Group

E. MO: Default Operating Unit

ANSWER: C

Explanation:

MO: Security Profile is the required profile option for enabling Multi-Org Access Control across multiple operating units. In Oracle E-Business Suite Release 12, a security profile defines the set of operating units to which a responsibility or user is permitted access. Assigning that security profile through the MO: Security Profile profile option allows the applications to establish the user’s organizational access list, so transactions and queries can be performed in each operating unit included in that profile without changing responsibilities.

This configuration is central to Multi-Org Access Control because it separates access authorization from the operating-unit context used for transaction processing. A security profile can contain one or more operating units, enabling shared-service users to work across authorized organizations while retaining appropriate data security. The profile is normally assigned at the responsibility level, although Oracle’s profile-option hierarchy permits assignment at other applicable levels when the implementation requires it. Oracle’s Multiple Organizations documentation describes security profiles as the mechanism for granting access to operating units under Multi-Org Access Control. See the Oracle E-Business Suite Multiple Organizations Implementation Guide and the Multi-Org Access Control overview.

QUESTION NO: 8

Subledger Accounting is a rule-based accounting engine that centralizes accounting for Oracle EBusiness Suite Release 12 products.

Select the Oracle application that is NOT a Subledger Accounting module.

A. Assets

B. Payables

C. Purchasing

D. Receivables

E. General Ledger

ANSWER: E

Explanation:

General Ledger is the correct selection because it is Oracle E-Business Suite's primary accounting repository and reporting ledger, rather than a transaction-processing subledger that creates accounting through Subledger Accounting. Subledger Accounting receives events from participating operational applications, applies accounting rules to create subledger journal entries, and transfers those entries to General Ledger for posting, balance maintenance, financial inquiry, and reporting.

In other words, General Ledger is the destination and central ledger for accounted transaction information, not a source application that uses Subledger Accounting as its accounting engine. Oracle's Subledger Accounting documentation describes the component as a common accounting service for integrated subledger applications and explains that accounting entries are transferred to Oracle General Ledger. Oracle General Ledger documentation likewise identifies General Ledger as the application used to maintain the accounting ledger and process journals. This functional separation is why General Ledger is not itself a Subledger Accounting module.

References: Oracle Subledger Accounting Implementation Guide; Oracle General Ledger User's Guide.

QUESTION NO: 9

To transmit an electronic payment instruction manually, perform these four steps.

1. In the Payments Manager, select the Payment Instruction tab.

2. In the Status field of the Search region, select Formatted - Ready for Transmission and click the Go button.

3. For the applicable payment instruction, click the Take Action icon. The Transmit Payment Instruction: page is displayed.

4. From the Action drop-down list, select Transmit and click the Go button.

Arrange the steps in the proper sequence they would be performed.

A. 1, 3, 2, 4

B. 1, 2, 3, 4

C. 1, 3, 4, 2

D. 2, 3, 4, 1

ANSWER: B

Explanation:

1, 2, 3, 4 is the proper sequence for manually transmitting an electronic payment instruction in Oracle Payments Manager. The process begins by opening the *Payment Instruction* tab in Payments Manager, because this is the work area in which payment instructions are searched for and acted upon. Next, the user searches for instructions with the status *Formatted - Ready for Transmission*. This status is essential: it identifies an instruction whose payment file has already been formatted and is ready to be sent through the selected transmission method.

After the search returns the eligible instruction, the user selects its Take Action icon. That action opens the Transmit Payment Instruction page for the specific instruction, ensuring that the transmission action is applied to the intended payment file. Finally, the user chooses *Transmit* from the Action list and submits the action with Go. This final step initiates the manual transmission workflow and updates processing according to the configured payment system and transmission setup. Oracle's Payables and Payments documentation describes payment instructions, their statuses, and the associated transmission processing in the Oracle Payables User's Guide and the Oracle Payments documentation.

QUESTION NO: 10

Here is a description of a report, file, or register.

Use this to review payments created for each bank account that you use during a time period you specify. The report lists each payment, as well as total payment amount and cleared amount of all payments.

Identify the name of this standard report.

A. Positive Pay File

B. Payment Register

C. Payment Exceptions Report

D. Payment Process Request Status Report

ANSWER: B

Explanation:

Payment Register is the standard Oracle Payables report that matches this description. It is designed to provide a payment-focused audit and reconciliation view for a specified date range and bank account. The register displays the individual payments created from the selected bank account, allowing a Payables user to review payment activity at transaction level. It also summarizes the payment amount and the cleared amount, which supports monitoring of payments that have progressed through the cash-clearing process and comparing payment activity with bank-account records.

In Oracle E-Business Suite Payables, payment reporting is closely tied to payment batches, bank accounts, and payment status. The Payment Register is therefore useful both for operational review after payments are issued and for supporting bank reconciliation activities. Selecting the applicable bank account and period narrows the output to the payment population relevant to that account, while the totals provide a concise control summary for the report period. Oracle's Payables documentation describes the available payment reports and registers in its reporting guidance; see the Oracle Payables User's Guide: Reports and the Oracle Payments Implementation Guide.

QUESTION NO: 11

Identify three features of Key Flexfields. (Choose three.)

A. Key Flexfields are used as identifiers for entities.

B. The Key Flexfield structure comprises Segments.

C. A Key Flexfield structure consists of multiple code combinations.

D. Key Flexfields appear as a single-space field enclosed in brackets.

E. Each segment of a Key Flexfield usually contains meaningful information.

ANSWER: A B E

Explanation:

Key Flexfields are used as identifiers for entities because they provide a structured, intelligent code for important business objects in Oracle E-Business Suite. For example, the Accounting Flexfield identifies general ledger accounts through a combination of values, while other key flexfields can identify assets, jobs, or item categories. Oracle defines a Key Flexfield as a field made up of multiple segments that together form an identifier.

The Key Flexfield structure comprises Segments because an administrator configures a structure by defining its individual segments, their value sets, validation, display order, and other behavior. The segments are then combined at transaction entry to create valid identifiers. This segmented design lets the same application support an organization's specific coding scheme without requiring custom program changes.

Each segment of a Key Flexfield usually contains meaningful information because segments commonly represent distinct business attributes, such as company, cost center, account, product, location, or other classification values. Combining these meaningful components produces an identifier that can be interpreted, validated, reported on, and controlled according to the organization's rules. Oracle's Flexfields documentation describes key flexfields as configurable, multi-segment identifiers and explains the role of segment values and combinations. See the Oracle E-Business Suite Flexfields Guide and the Key Flexfields overview.

QUESTION NO: 12

Which statement is true about paying invoices?

A. An invoice can be paid without being validated.

B. An invoice can be paid only after the invoice accounting entries are created.

C. An invoice must be validated before you can create invoice accounting entries.

D. Invoice accounting entries and payment accounting entries can be transferred at different times to General Ledger only if they are in different calendar periods.

E. Both invoice accounting entries and payment accounting entries must be transferred to General Ledger at the same time, if they are in the same calendar period.

ANSWER: C

Explanation:

An invoice must be validated before you can create invoice accounting entries. Invoice Validation is the Payables control process that checks invoice data and applies the appropriate holds, ensuring that the invoice is eligible for downstream processing. A successfully validated invoice receives the Validated status, subject to any remaining holds and configured controls. This status is required before Payables can account for the invoice through the Create Accounting process.

In Oracle E-Business Suite Release 12, Payables uses Subledger Accounting to derive and create the accounting distributions for invoice transactions. Validation therefore establishes that the invoice and its distributions have passed the required checks before accounting is generated. This sequencing preserves accounting integrity: the subledger creates journal entries from a validated business transaction rather than from an invoice that may still have incomplete information, matching problems, tax issues, or other validation exceptions. The validated invoice can then proceed through accounting and payment processing according to the organization's payment and approval controls. Oracle describes invoice validation and its role in the invoice lifecycle in the Oracle Payables User's Guide and documents the accounting flow in the Oracle Subledger Accounting Implementation Guide.

QUESTION NO: 13

Which event reverses an accrual for an item set to accrue on receipt?

A. paying an invoice

B. delivering goods to a final destination

C. running the Receipt Accruals – Period-end process

D. matching an invoice in Payables to a purchase order

ANSWER: D

Explanation:

Matching an invoice in Payables to a purchase order reverses the receipt accrual for an item whose purchasing setup is to accrue on receipt. When the receiving transaction is recorded, Oracle Purchasing creates an accrual accounting entry because the organization has received the goods or services but has not yet recorded the supplier invoice. This recognizes the received quantity and establishes the accrued liability pending invoice processing.

When Payables matches and validates the supplier invoice against the purchasing document and its receipt-related information, Oracle Payables creates the invoice accounting and clears the relevant accrued-receipt balance. The invoice therefore replaces the provisional receipt accrual with the actual supplier liability, ensuring that the receipt and invoice are accounted for once and that the accrued liability is not left outstanding after invoicing. This behavior supports the standard procure-to-pay accounting flow for receipt-accrual items and allows invoice matching to reconcile received quantities, prices, and liabilities. Oracle describes the receipt-accrual and invoice-matching processes in its Oracle Purchasing User's Guide and Oracle Payables User's Guide.

QUESTION NO: 14

A Ledger is a financial reporting entity. What is new in Oracle E-Business Suite Release 12 that facilitates generation of accounting entries?

A. Ledger

B. Chart of Accounts

C. Multi-Org Structure

D. Accounting Method

E. Financial Accounting Calendar

ANSWER: D

Explanation:

Accounting Method is correct. Oracle E-Business Suite Release 12 introduced Subledger Accounting, which centralizes and standardizes how accounting entries are derived for subledger transactions. An accounting method is assigned to a ledger and acts as the framework for generating accounting: it groups the application accounting definitions used by the subledgers associated with that ledger. Those definitions include the rules that determine accounting attributes, journal line types, descriptions, and account derivation for transactions such as invoices, payments, and other business events.

This was a significant Release 12 enhancement because accounting logic could be defined and maintained more consistently, while still supporting accounting requirements specific to an organization, ledger, or subledger. Oracle supplies seeded accounting methods, and organizations may use them directly or create and configure their own methods when their accounting policies require different treatment. The ledger provides the accounting context, while the accounting method specifies the Subledger Accounting setup used to create the actual journal entries for that context.

Oracle documents the relationship between ledgers, accounting methods, and Subledger Accounting in the Oracle Subledger Accounting Implementation Guide and the Oracle General Ledger User's Guide.

QUESTION NO: 15

Which two parameters facilitate cross organization reports in a Multi-Org environment? (Choose two.)

A. Ledger

B. Legal Entity

C. Operating Unit

D. Reporting Level

E. Reporting Context

ANSWER: D E

Explanation:

In Oracle E-Business Suite Payables, **Reporting Level** and **Reporting Context** work together to support reports that can be run across organizations in a Multi-Org Access Control environment. Reporting Level specifies the organizational scope at which report data is aggregated, such as ledger, legal entity, or operating unit. This lets a report determine the type of organizational boundary to use when selecting and summarizing Payables activity.

Reporting Context supplies the actual value within the selected level—for example, the particular ledger, legal entity, or operating unit for which the report is being requested. The combination is important: the level defines the kind of organizational object, while the context identifies the applicable instance of that object. This design enables a single report definition to be used flexibly for different cross-organization reporting requirements while respecting the user's Multi-Org security access.

Oracle's Multi-Org documentation describes how organizations are represented and secured for cross-operating-unit processing, and the Payables documentation covers the reporting features available within the application. See Oracle E-Business Suite Multiple Organizations Implementation Guide and Oracle Payables User Guide.

QUESTION NO: 16

Identify three functions that the Create Accounting program provides. (Choose three.)

A. validates and creates subledger journal entries

B. generates the Posted Journal Report for subledger journal entries

C. transfers final journal entries in the current batch run to General Ledger

D. applies the application accounting definitions that are created in Accounting Builder (ABM)

E. allows you to update final journal entries before the Transfer to General Ledger process is run

F. generates the Subledger Accounting Program Report, which documents the results of the Create Accounting program

ANSWER: A C F

Explanation:

The Create Accounting program is the central Subledger Accounting process used to produce accounting for eligible Payables transactions. It validates the accounting information and creates subledger journal entries according to the accounting rules configured for the application. This process can create draft entries for review or final entries intended for transfer to General Ledger. When the transfer option is selected, Create Accounting transfers final journal entries produced by the current program run to General Ledger through the Subledger Accounting-to-General Ledger interface. This supports a controlled progression from subledger transaction accounting to GL journal processing.

Create Accounting also produces the Subledger Accounting Program Report. The report records the outcome of the submitted accounting process, including processing status and counts or details relevant to the accounting events and journal entries handled by that run. It is therefore an important audit and operational-review output of the program. Oracle documents Create Accounting as the process that creates subledger journal entries and, when requested, transfers final entries to General Ledger; it also identifies the associated Subledger Accounting Program Report. See the Oracle Subledger Accounting Implementation Guide and the Oracle documentation on the Create Accounting process.

QUESTION NO: 17

Identify four modules that support two-way integration with Oracle Payables. (Choose four.)

A. Oracle Projects

B. Oracle Purchasing

C. Oracle Receivables

D. Oracle General Ledger

E. Oracle Cash Management

F. Oracle Human Resources

ANSWER: A B C E

Explanation:

Oracle Payables has bidirectional business-process integrations with Oracle Projects, Oracle Purchasing, Oracle Receivables, and Oracle Cash Management. Oracle Purchasing supplies purchasing documents and receiving information used by Payables during invoice matching, while Payables returns invoice and payment-related purchasing information that supports the procure-to-pay lifecycle. Oracle Projects receives project-related supplier invoice costs from Payables for project costing and can provide project accounting context used when invoices are processed. Oracle Receivables and Payables support customer-refund processing: information originating from an eligible customer credit balance can be used to create and pay a refund through Payables, with the resulting activity reflected back in the receivables process. Oracle Cash Management uses payment information from Payables for bank-account reconciliation and cash-position activities; reconciled payment status and bank transaction information can in turn be available to the payment process. These integrations let the applications exchange operational information rather than merely sharing setup data or receiving a one-direction accounting transfer. Oracle's Payables documentation describes its integration with purchasing, projects, receivables, and cash-management functions; see the Oracle Payables User's Guide and the Oracle E-Business Suite Financials Implementation Guide.