DUMPSARENA

Oracle EBS R12.1 Purchasing Essentials

Oracle 1z0-520

Version Demo

Total Demo Questions: 32

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Topic Break Down

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QUESTION NO: 1

A parts distributor has a facility that includes several buildings that are used as warehouses. All the warehouses together represent one subinventory in an inventory organization. Each building is multistoried, and each floor (story) has several rooms within each building that are unique to that building. All rooms are used to store material, and the distributor needs the ability to store material and pick material from these rooms. What is the optimum number of segments that you would recommend for the Stock Locator flexfield?

A. 1

B. 2

C. 3

D. 4

E. 5

ANSWER: C

Explanation:

The correct answer is **3**. The Stock Locator flexfield should model the physical hierarchy needed to identify every material-storage and picking location uniquely within the single subinventory. In this scenario, the natural hierarchy consists of building, floor, and room. Configuring one segment for each level—for example, *Building-Floor-Room*—creates a meaningful and unique locator for each room while keeping the locator structure easy for warehouse personnel to understand and use during transactions.

Because room identifiers are unique only within an individual building, the building segment is required to distinguish identically named or numbered rooms in separate buildings. The floor segment records the next physical level and supports clear navigation and operational reporting. The room segment identifies the actual storage location from which material can be received, stored, issued, and picked. The subinventory itself is already represented separately in Oracle Inventory, so it does not need to be duplicated as an additional locator segment. Oracle documentation describes stock locators as a means of identifying physical material locations within a subinventory and supports defining locator segments to reflect an organization’s physical layout. See the Oracle Inventory User's Guide: Defining Stock Locators and the Oracle Inventory User's Guide: Stock Locator Flexfield.

QUESTION NO: 2

An item has its Lot Control attribute set to Full Control. The Active material status does not have any transaction types related to lot control enabled for material status control. This status is assigned to all lot numbers associated with the item. The subinventory where the item's lot numbers are all located also has the Active material status. How will the application respond when a user tries to submit a subinventory transfer transaction?

A. The transaction will be accepted.

B. An error message will be generated.

C. The transaction will be accepted, but will be registered as a transfer to and from the same subinventory.

D. The transaction will be accepted, but the item cost update will have to be processed separately by the user.

ANSWER: A

Explanation:

The transaction will be accepted. In Oracle Inventory, material status control is enforced according to the transaction types that have explicitly been enabled for the applicable material status at the relevant control level. Although the item is under full lot control and every associated lot has the Active material status, the stated Active status has no lot-control-related transaction types enabled. Consequently, that lot-level status does not prohibit or restrict the subinventory transfer.

The subinventory also has the Active material status. A material status does not inherently block inventory activity merely because it is assigned; it applies restrictions only through its enabled transaction controls. Since the scenario identifies no

enabled restriction that applies to this transfer, Inventory validates the transaction successfully and processes the movement using the normal subinventory-transfer process. Lot control still requires the transaction to use valid lot information as appropriate, but it does not itself create a material-status restriction. Oracle describes material statuses as controls that restrict specific inventory transactions when those transactions are associated with the status. See the Oracle Inventory User's Guide material-status documentation and the Oracle Inventory transaction-controls documentation.

QUESTION NO: 3

You are moving items from locator A to locator B within the same inventory organization. Which two types of inventory transactions are required? (Choose two.)

A. Move Order

B. Locator transfer

C. Subinventory transfer

D. WIP component issue

E. Miscellaneous Receipt

F. WIP assembly completion

G. Interorganization transfer direct

ANSWER: A C

Explanation:

Move Order and **Subinventory transfer** are the appropriate transaction types for controlled movement of material between locators in an inventory organization. A move order provides the request and authorization framework for moving inventory. It identifies the material to be moved and can specify the source and destination subinventory and locator information. When the move order is allocated and transacted, Oracle Inventory records the physical movement against the relevant inventory balances.

The inventory movement itself is processed using a subinventory transfer. In Oracle Inventory, a subinventory transfer supports movement within an organization and accommodates locator-controlled material by recording the applicable source and destination locator details. Consequently, the transaction updates the on-hand quantity at locator A and locator B while retaining the material in the same inventory organization. This process provides an auditable movement record and enables inventory controls such as locator, lot, serial, and transaction-date validation to be applied where configured.

Oracle's documentation describes move orders as requests for material movement and covers transfers within an inventory organization in the Inventory User's Guide. See the Oracle E-Business Suite Inventory User's Guide and Oracle documentation on inventory transfers.

QUESTION NO: 4

ACME is implementing Inventory in a make-to-order manufacturing environment, where there is on-hand inventory for 200 different motors. For these purchasable items, given the proper profile setup, Min-max can automatically create _____.

A. an expense account

B. an encumbrance account

C. an invoice price variance account

D. an inventory Accounts Payable accrual account

E. records in the Purchase Order Requisition interface table

ANSWER: E

Explanation:

Min-max planning calculates replenishment quantities by comparing each item's available quantity against its established minimum and maximum levels. For purchased items, Oracle Inventory can use the planning result to initiate external replenishment. When the applicable Min-max and Purchasing profile settings are enabled, the system writes the recommended replenishment demand to the Purchase Order Requisition interface table. Oracle Purchasing then imports those interface records through the Requisition Import process and creates purchase requisitions, which can subsequently be approved and converted into purchase orders according to the organization's purchasing controls.

This interface-based flow is especially useful when many stocked items must be evaluated at once, such as the 200 motors in the scenario. It allows Min-max planning to generate replenishment recommendations in bulk without requiring a user to manually enter every requisition. The requisition interface also preserves the separation between Inventory planning and Purchasing document creation: Inventory determines what should be replenished, while Purchasing validates, imports, routes, and authorizes the requisition. Oracle's Inventory documentation describes Min-max planning's ability to create replenishment requests for purchased items, and Oracle Purchasing documentation explains processing requisitions through the interface/import mechanism. See the Oracle E-Business Suite Inventory User's Guide: Min-Max Planning and the Oracle Purchasing User's Guide: Requisition Import.

QUESTION NO: 5

Which Inventory table stores reservations information generated for sales orders?

A. MTL_DEMAND

B. MTL_SALES_ORDERS

C. OE_ORDER_LINES_ALL

D. MTL_GENERIC_DISPOSITIONS

E. MTL_RESERVATIONS

ANSWER: E

Explanation:

`MTL_RESERVATIONS` is the Inventory table that records reservation information, including reservations created in relation to sales-order demand. A reservation links a demand source, such as a sales order line, to specific supply or on-hand inventory so that the material is allocated for fulfillment. The table stores the reservation's demand and supply source details, reserved quantity, organization, inventory item, and relevant subinventory or locator information when applicable. This supports the Inventory reservation process used to ensure that inventory intended for a sales order is identified and protected from being consumed by unrelated demand.

Sales-order information itself originates in Order Management, and Inventory uses the reservation record to maintain the allocation relationship between that order demand and available material. Oracle's Inventory documentation describes reservations as links between demand and supply, while the Oracle E-Business Suite technical reference identifies `MTL_RESERVATIONS` as the reservation data table. See the Oracle Inventory User's Guide reservation documentation and the Oracle E-Business Suite eTRM entry for MTL_RESERVATIONS.

QUESTION NO: 6

What is the correct sequence when defining units of measure (UOM)?

A. UOM Class, UOM, UOM Conversions

B. UOM Class, UOM Conversions, UOM

C. UOM Conversions, UOM Class, UOM

D. UOM Conversions, UOM, UOM Class

E. UOM, UOM Class, UOM Conversions

ANSWER: A

Explanation:

The correct sequence is **UOM Class, UOM, UOM Conversions**. In Oracle E-Business Suite, a unit-of-measure class establishes the category and conversion context for related units, such as quantity, length, weight, or volume. Each class has a base unit of measure, which provides the reference point used for conversions within that class. Consequently, the class must exist before its individual units can be defined and assigned to it.

After creating the UOM class, define the individual UOMs, including the base UOM and any additional units belonging to the class. Oracle then has the necessary class and unit definitions to identify the source and target units for conversion setup. Finally, define UOM conversions to specify the mathematical relationship between a non-base UOM and the base UOM, or to establish permitted interclass conversions where business requirements call for them. Following this dependency order ensures that each setup record can reference the prerequisite records already created. Oracle's setup guidance describes defining UOM classes and units before entering conversion information. See the Oracle E-Business Suite Inventory User's Guide and the Oracle Inventory implementation documentation.

QUESTION NO: 7

Identify three true statements about defining actions in Oracle Alert. (Choose three.)

A. An alert can contain only one Action Set.

B. An alert can contain any number of Action Sets.

C. When multiple actions are defined they must be included in an Action Set.

D. Oracle Alert waits for user response before executing next action in an Action Set.

E. When multiple actions are defined, they do not need to be included in an Action Set.

F. Oracle Alert does not wait for user response before executing next action in an Action Set.

ANSWER: B C F

Explanation:

Oracle Alert organizes the work performed after an alert is triggered through action sets. An alert can have any number of action sets, allowing an implementer to group distinct follow-up processing for the same alert definition. This supports flexible designs, such as using separate sets for notification, data-processing, or escalation-related activities, while retaining a single alert query or event definition.

When an alert needs to perform multiple actions, those actions are defined within an action set. An action set provides the ordered container in which Oracle Alert processes the individual actions associated with the alert. This structure lets the application manage a sequence of related outcomes, including message actions and other supported action types, as part of alert processing.

Oracle Alert executes the actions in an action set without waiting for a user to respond to a message action before it proceeds to the next action. A message response may subsequently be processed according to the response definition, but it does not block the execution of later actions in the set. This behavior is important when configuring timely automated alert processing. Oracle's Oracle Alert User's Guide: Defining Alert Actions documents action sets and their execution behavior.

QUESTION NO: 8

In the Multi-Org model, which organization type is the highest level that impacts accounting?

A. Ledger

B. Operating Unit

C. Business Group

D. GRE/Legal Entity

E. Inventory Organization

ANSWER: A

Explanation:

Ledger is the highest organizational level that impacts accounting in the Oracle E-Business Suite Multi-Org model. A ledger represents an accounting representation used to record and report financial information. Its essential configuration includes the chart of accounts, accounting calendar, and functional currency; it also carries the accounting method through the Subledger Accounting setup. Consequently, the ledger establishes the fundamental accounting context in which transactions are ultimately accounted for and reported. Oracle's organization model allows operational entities and processing structures to be associated with a ledger, but the ledger is the level at which accounting conventions and financial reporting requirements are defined consistently. This is why ledger setup is foundational when implementing financial and procurement processes: accounting entries generated by subledgers must be associated with the appropriate ledger, using that ledger's accounting configuration and reporting currency framework. Oracle documentation describes ledgers as accounting representations and identifies their key accounting attributes in its Financials implementation guidance. See Oracle E-Business Suite Implementation Guide: Ledgers and Oracle E-Business Suite Implementation Guide: Accounting Setup.

QUESTION NO: 9

Which sequence best represents the Procure to Pay life cycle flow?

A. Run compliance testing. > Enter suppliers. > Process returns.

B. Create purchase order. > Record manual payment. > File invoices.

C. Negotiate contracts. > Fulfill purchase order. > Generate supplier reports.

D. Enter invoice. > Match invoice to purchase order. > Return goods to suppliers.

E. Request for quote. > Analyze commodity. > Create payment outside payables.

F. Create and approve a purchase requisition. > Create and approve a purchase order. > Receive goods or services. > Match and pay the supplier invoice.

ANSWER: F

Explanation:

The sequence "Create and approve a purchase requisition. > Create and approve a purchase order. > Receive goods or services. > Match and pay the supplier invoice." represents the core Oracle E-Business Suite Procure-to-Pay process. A requester first identifies and submits a requirement through a purchase requisition. After the appropriate approvals, Purchasing creates and authorizes a purchase order, which is the formal commitment to the supplier. When the supplier delivers, Receiving records the receipt of goods or services. Payables then processes the supplier invoice, commonly matching it to the purchase order and receipt under two-way or three-way matching controls, before the invoice is approved and paid. This end-to-end progression connects demand, purchasing authorization, receipt confirmation, invoice validation, and settlement of the supplier obligation. It is therefore a complete lifecycle flow rather than a subset of procurement activities or an unrelated administrative sequence. Oracle's Purchasing documentation describes requisitions, purchase orders, and receipts as connected purchasing transactions, while Payables documentation covers invoice matching and payment processing. See the Oracle Purchasing User's Guide and the Oracle Payables User's Guide.

QUESTION NO: 10

Consider the following setups:

1) Purchasing System Option enforce Full Lot Quantity * Mandatory

2) Rounding Factor at the item level = 75%

3) Unit of Issue at the item level = Dozen

Select two statements that are true. (Choose two.)

A. If the user enters 6 each on an internal requisition, the quantity will be rounded to 0,

B. If the user enters 6 each on a purchase requisition, the quantity will be rounded to 0,

C. If the user enters 11 each on an internal requisition, the quantity will be rounded to 12 each,

D. If the user enters 11 each on a purchase requisition, the quantity will be rounded to 12 each,

E. An advisory message suggesting rounding and a suggested rounding quantity are displayed, but you can override this.

ANSWER: A C

Explanation:

With the Enforce Full Lot Quantity purchasing option set to Mandatory, Oracle Purchasing enforces the item's unit-of-issue rounding rule for internal requisitions; the requester cannot retain a quantity that does not comply with the resulting full-lot quantity. A unit of issue of Dozen establishes a full lot of 12 each. The 75% rounding factor establishes the threshold used when a requested quantity is not a complete unit of issue: quantities below 75% of a dozen are rounded down, while quantities at or above that threshold are rounded up to a full dozen. Six each represents 50% of a 12-each dozen, which is below the 75% threshold. Therefore, the internal requisition quantity is rounded down to zero. Eleven each represents approximately 91.7% of a dozen, exceeding the 75% threshold. Oracle consequently rounds that internal requisition quantity up to the full unit-of-issue quantity of 12 each. This behavior supports ordering and transferring the item in the defined issue quantity while applying the configured tolerance threshold. Oracle documents Purchasing options and item purchasing attributes, including unit-of-issue and quantity-rounding controls, in the Oracle Purchasing Implementation Guide and the Purchasing Options documentation.

QUESTION NO: 11

Requisition Import groups all requisitions with the same group code under the same requisition header. If no group code is specified, Requisition Import groups requisitions according to five types of groups that can be optionally passed to the Requisition Import process. Identify them. (Choose five.)

A. Group by Item.

B. Group by price.

C. Group by buyer.

D. Group by UOM.

E. Group by location.

F. Group by supplier.

G. Group by description.

H. Group all requisition lines under one requisition header

ANSWER: A C E F H

Explanation:

Requisition Import uses its grouping controls to determine which imported interface lines are assembled beneath a common requisition header when an explicit group code has not been supplied. **Group by Item** is valid when requisition lines are to be grouped based on the requested item. **Group by buyer** groups lines according to the assigned purchasing buyer, supporting requisition ownership and subsequent purchasing processing. **Group by location** uses the deliver-to location as the grouping basis, which is useful where destination is a primary operational distinction. **Group by supplier** groups lines

according to the supplier information carried by the import records, helping retain supplier-oriented requisition organization. Finally, **Group all requisition lines under one requisition header** directs the import process to place all eligible lines in the import set beneath a single requisition header rather than separating them by an individual attribute.

These grouping selections are passed through the Requisition Import process parameters and affect header creation; they do not change the underlying line-level requisition requirements. Oracle Purchasing documentation describes Requisition Import processing and its grouping behavior in the Oracle Purchasing User's Guide. Oracle's documentation library for this release is available through the Oracle E-Business Suite Release 12.1 Documentation Library.

QUESTION NO: 12

Which Approved Supplier List (ASL) entry would take precedence for an item?

A. Local entry that applies to your suppliers.

B. Global entry that applies to your suppliers.

C. Local entry that applies only to your organization.

D. Both local and global entries that apply to your suppliers.

E. Global entry that applies to all organizations of your company.

ANSWER: C

Explanation:

“Local entry that applies only to your organization.” is correct because Oracle Purchasing evaluates an Approved Supplier List entry defined for the requesting organization before it uses a global entry. A local ASL entry is organization-specific, enabling an enterprise to control approved sources, supplier status, and related sourcing attributes differently for an individual inventory organization. This specificity is important when organizations have distinct supplier relationships, purchasing requirements, or operational constraints for the same item.

When a matching local ASL entry exists for the item and organization, it overrides the more broadly applicable global ASL entry for that item. The global entry remains useful as a common enterprise-wide default, but the local record supplies the more specific sourcing definition in the organization where it is defined. This precedence lets organizations establish centrally managed supplier approvals while allowing local exceptions where business requirements differ. Oracle’s Purchasing documentation describes ASL entries as either global or local and explains that local entries take precedence over global entries when both apply. See the Oracle Purchasing User’s Guide: Approved Supplier List and the Oracle Purchasing User’s Guide documentation.

QUESTION NO: 13

You received 100 units of item A on Monday. On Tuesday, you discovered that three units are missing from the shipment. You entered a correction to adjust the quantity received to 97. On Wednesday, you found two units damaged and you created a Return To Supplier transaction. The profile option PO: ERS Aging Period is set to 3 days. What is true if the Payment on Receipt process is run on Friday?

A. The process will generate an invoice for 95 units.

B. The process will generate an invoice for 97 units and a debit memo for 2 units.

C. The process will generate an invoice for 97 units. Then you will have to manually create a debit memo for 2 units.

D. The Return To Supplier transaction already created a debit memo. The Payment on Receipt process will generate an invoice for 97 units.

E. The process will generate an invoice for 100 units. Then you will have to manually adjust the invoice for 3 units and create a debit memo for 2 units.

ANSWER: A

Explanation:

The process will generate an invoice for 95 units. Payment on Receipt (also called Evaluated Receipt Settlement, or ERS) derives the supplier invoice quantity from the eligible receiving transactions rather than from a supplier-submitted invoice. The original Monday receipt has aged sufficiently by the Friday run because the PO: ERS Aging Period is three days. Before the ERS process creates the invoice, Purchasing considers subsequent receiving adjustments applicable to that receipt. The Tuesday receipt correction reduces the recorded received quantity from 100 to 97. The Wednesday Return To Supplier transaction further reduces the quantity eligible for payment by the two damaged units. Consequently, the net quantity on the ERS invoice is 95 units: 100 received, less the three-unit correction, less the two units returned to the supplier. Because the return occurred before the invoice was generated, it is reflected in the net quantity settled by the ERS invoice rather than requiring a separate post-invoice settlement action. Oracle describes Pay on Receipt as a process that automatically creates payables invoices from receipt information and uses receipt transactions to establish the payable amount. See the Oracle Purchasing User's Guide: Pay on Receipt and the Oracle E-Business Suite Release 12.1 documentation library.

QUESTION NO: 14

Oracle Daily Business Intelligence functions are secured using standard Oracle Applications function security. Choose three dashboards that are secured by the Inventory Organization.

(Choose three.)

A. Inventory Management

B. Warehouse Management

C. Procurement Management

D. Commodity Supplier Management

E. Customer Fulfillment Management

ANSWER: A B E

Explanation:

Oracle Daily Business Intelligence (DBI) uses Oracle E-Business Suite function security together with the relevant organizational security context to control the information a user can access. **Inventory Management**, **Warehouse Management**, and **Customer Fulfillment Management** are dashboards whose operational measures and drilldowns are based on inventory-organization data. Consequently, access to these dashboard functions is controlled in the context of the inventory organizations assigned to the user's responsibility or security profile. This prevents users from viewing inventory balances, material movement, warehouse activity, fulfillment status, and related operational metrics for inventory organizations outside their authorized scope.

The inventory organization is the appropriate security dimension for these dashboards because their underlying business processes are performed at the inventory or warehouse level: managing stocked items and transactions, executing warehouse operations, and monitoring customer-order fulfillment from shipping organizations. Oracle's DBI documentation describes dashboard access as being governed by standard Applications security, while Oracle Inventory documentation defines the inventory organization as the entity used to track and transact inventory. See the Oracle Daily Business Intelligence User's Guide and the Oracle Inventory User's Guide.

QUESTION NO: 15

RFQs and Quotations have setups in the following areas: Purchasing Control Options, Lookup

Codes, and Profile Options. Select the two options that contain correct setups, for both the Purchasing Control Options and the Profile Options. (Choose two.)

A. Purchasing Control Options: Quotation Numbering, Line Type, and Quotation Required

B. Profile Options: PO: Write Server Output to File, and PO: Warning Delay Days Number

C. Purchasing Control Options: RFQ Numbering, Quote Warning Delay, and RFQ Required

D. Profile Options: PO: Display AutoCreated Quotation, and PO: Warning Delay Days Number

E. Purchasing Control Options: RFQ & Quotation Numbering, Quote Warning Delay, and Quotation Required

F. Profile Options: PO: Price Tolerance (%) for Catalog Updates, and PO: Warn if RFQ Required before AutoCreate

ANSWER: C F

Explanation:

The correct Purchasing Control Options setup is **Purchasing Control Options: RFQ Numbering, Quote Warning Delay, and RFQ Required**. These controls govern core RFQ processing behavior: RFQ numbering determines how RFQ document numbers are generated, Quote Warning Delay establishes the warning period associated with supplier quotation activity, and RFQ Required controls whether an RFQ is required before purchasing activity can proceed in the applicable workflow. Oracle groups these settings in the RFQ and Quotations area of the Purchasing Control Options window.

The correct Profile Options setup is **Profile Options: PO: Price Tolerance (%) for Catalog Updates, and PO: Warn if RFQ Required before AutoCreate**. The catalog-update price tolerance profile establishes the allowable percentage variance when catalog information is updated. The AutoCreate warning profile supports enforcement of the RFQ-required control by warning users when they create purchasing documents from requisitions without the required RFQ process. These profile values allow an implementation to apply the organization's sourcing and catalog-price governance consistently while retaining appropriate user warnings. Oracle's R12 documentation library and Purchasing implementation material describe the relevant Purchasing controls and profile-option administration: Oracle E-Business Suite Release 12.1 Documentation Library and Oracle Purchasing Implementation Guide.

QUESTION NO: 16

Which sequence best represents the Procure to Pay life cycle flow?

A. Run compliance testing. > Enter suppliers. > Process returns.

B. Create purchase order. > Record manual payment. > File invoices.

C. Negotiate contracts. > Fulfill purchase order. > Generate supplier reports.

D. Enter invoice. > Match invoice to purchase order. > Return goods to suppliers.

E. Request for quote. > Analyze commodity. > Create payment outside payables.

F. Create and approve requisition. > Create and approve purchase order. > Receive goods. > Match invoice and pay supplier.

ANSWER: F

Explanation:

The Procure to Pay life cycle is an end-to-end business process that begins when an organization identifies a need and creates a requisition. After the requisition is approved, Purchasing uses it to create and approve a purchase order, which is the formal authorization sent to the supplier. When the supplier delivers the ordered goods or services, the receiving transaction records fulfillment. Accounts Payable then enters the supplier invoice and matches it to the purchase order and, where applicable, the receipt before authorizing payment. This controlled progression links demand, purchasing commitment, receipt, invoice validation, and cash disbursement in the proper operational order. Oracle E-Business Suite supports these connected steps across Oracle Purchasing, Receiving, and Oracle Payables; matching helps ensure that payment is made for goods or services that were ordered and received. Oracle Purchasing documentation is available in the Oracle Purchasing User's Guide, and invoice matching and payment processing are documented in the Oracle Payables User's Guide.

QUESTION NO: 17

Which Inventory table stores the item attribute values assigned to a system item?

A. MTL_SYSTEM_ITEMS_B

B. MTL_ITEM_ATTRIBUTES

C. MTL_ITEM_TEMPLATES_B

D. MTL_STATUS_ATTRIBUTE_VALUES

ANSWER: A

Explanation:

MTL_SYSTEM_ITEMS_B is the Inventory base table that stores the attribute values for each system item. Oracle Inventory maintains an item record at the organization level, identified principally by the inventory item identifier and organization identifier, and the item's operational attributes are stored as columns in this base table. These include the many values that control how an item is defined and used across Inventory and integrated E-Business Suite functions, such as item status, item type, inventory, purchasing, costing, planning, and transaction-related settings. The table's `_B` suffix denotes the base-language/base data table; translatable item description information is held separately in the related translation table, `MTL_SYSTEM_ITEMS_TL`. Consequently, when identifying the table that contains the assigned attribute values of a system item, the appropriate Inventory data model table is `MTL_SYSTEM_ITEMS_B`. Oracle's Inventory implementation documentation describes item definition and the organization-specific nature of item attributes, while the Oracle E-Business Suite Technical Reference Manual lists the table as the System Items base table. See the Oracle Inventory User's Guide and the Oracle E-Business Suite ETRM entry for MTL_SYSTEM_ITEMS_B.

QUESTION NO: 18

A supplier is being defined for use by several operating units in a Multi-Org environment.

Which three statements are true about supplier sites? (Choose three.)

A. A supplier site can be assigned to an operating unit.

B. A supplier site must be enabled as a Purchasing site before it can be selected on a purchase order.

C. A supplier site must be enabled as a Pay site before it can be used for Payables payment processing.

D. A supplier site can be used by every operating unit without an operating-unit assignment.

E. A supplier must be defined separately for each operating unit that purchases from it.

ANSWER: A B C

Explanation:

A supplier is maintained as a global entity, while supplier-site information is defined for the operating units that conduct transactions with that supplier. A supplier site must be assigned to an operating unit before that operating unit can use the site for purchasing or payables activity. This permits the enterprise to share the supplier identity while maintaining operating-unit-specific addresses, controls, and transaction attributes.

A site that is to be selected on purchasing documents must be enabled as a Purchasing site. Likewise, a supplier site that is to be used for invoice payment processing must be enabled as a Pay site in Oracle Payables. These controls ensure that a site is used only for the intended business purposes. Oracle documents supplier and supplier-site setup in the Oracle Purchasing User's Guide and the Oracle Payables User's Guide.

QUESTION NO: 19

Which three statements are true about ABC Analysis and cycle count Classes? (Choose three.)

A. The hit/miss% for the Class overrides the hit/miss% of the cycle count header.

B. The hit/miss% for the cycle count header overrides the hit/miss% of the Class.

C. An ABC Analysis can be compiled for a subinventory that is defined as a non-quantity-tracked subinventory.

D. An ABC Analysis can be compiled for nonasset (expense) subinventories for which quantities are tracked.

E. In ABC Analysis, a quantity variance must always be submitted for approval, regardless of the tolerance levels.

F. Positive and negative tolerances can be entered for each class, which will override the tolerance at the cycle count header level.

ANSWER: A D F

Explanation:

Cycle-count classes provide controls that can be more specific than the controls established in the cycle-count header. The hit/miss percentage entered for an individual class takes precedence for items assigned to that class. This allows an organization to apply a different count-accuracy expectation to high-priority inventory than to lower-priority inventory while retaining shared header-level defaults for the count.

Likewise, a cycle-count class can have its own positive and negative quantity-variance tolerances. These class-level tolerances override the corresponding cycle-count-header tolerance when Oracle Inventory evaluates a count adjustment for an item in that class. This supports separate adjustment controls for different groups of items based on their value, movement, or operational criticality.

ABC analysis is available for quantity-tracked expense subinventories as well as qualifying asset subinventories. Therefore, an organization can classify items in a nonasset subinventory for planning and cycle-count purposes when on-hand quantities are tracked. Oracle's Inventory User's Guide describes the ABC analysis and cycle-count setup process, including subinventory eligibility and class-specific controls: Oracle Inventory User's Guide, Release 12.1 and Oracle Inventory cycle counting documentation.

QUESTION NO: 20

Identify two implementation considerations for document security, routing, and approval. (Choose two.)

A. A position hierarchy can never be the same as the employee-supervisor hierarchy.

B. You can define either the document total or an account range in an Approval Group.

C. You must complete the relevant purchasing options before setting up the Position Hierarchy for purchasing documents.

D. You must define one position hierarchy, including all positions that require access to the document types you want to control, with a Security Level of 'Purchasing'.

E. All potential approvers must have a login username; if you forward a purchasing document to an approver who does not have a login username, purchasing alerts you with a warning.

ANSWER: D E

Explanation:

Oracle Purchasing uses a position hierarchy to establish document-security access and approval routing when that hierarchy-based model is selected. The hierarchy must be a single, complete structure for the controlled purchasing document types, so that every position requiring access is represented in the same hierarchy. Its security level must be set to *Purchasing*; this identifies the hierarchy as the one Purchasing should use when enforcing document access and routing approval actions. A complete hierarchy also ensures that approval authority can be determined consistently as documents move through the organization.

Potential approvers need an application login username because Purchasing workflow notifications and approval actions are delivered through the Oracle Applications user account associated with the employee. When a document is forwarded to an individual without a login username, Purchasing warns the sender. This warning is an important setup safeguard: it helps administrators and users identify an approver configuration that cannot support normal online notification and response processing. These requirements are described in Oracle's Purchasing implementation material covering document security, position hierarchies, and approval workflow. See the Oracle Purchasing Implementation Guide and the Oracle E-Business Suite 12.1 Documentation Library.

QUESTION NO: 21

ABC Inc. is a semiconductor manufacturing organization. They have all possible inventory controls on items. Which controls are validated on subinventory transfer transactions?

1. Lot control

2. Locator control

3. Serial Number control

4. Revision Quantity control

5. Subinventory and locator restrictions for specific items

A. 1

B. 1 and 3

C. 1, 3, and 5

D. 1, 2, and 3

E. 1 through 5

F. 1, 2, 3, and 5

G. 1, 2, 3, and 4

ANSWER: E

Explanation:

1 through 5 is correct. A subinventory transfer is an Oracle Inventory material transaction that moves on-hand quantity between subinventories, and potentially between locators. During processing, Oracle validates every applicable item-level control so that the transaction preserves the integrity of the on-hand balance. For lot-controlled material, the transferred quantity must be associated with valid lot information. For serial-controlled material, the required serial numbers must be entered and validated. When an item is revision controlled, the transaction uses the applicable revision and maintains the quantity at the revision level. Locator-controlled items also require valid source and destination locator information when the relevant subinventories use locator control. In addition, Oracle enforces item/subinventory and item/locator restrictions configured for the item, ensuring that the item is permitted in the selected destination and locator. These validations apply together whenever the corresponding controls have been enabled for the item and the relevant inventory organizations or subinventories. Oracle's Inventory documentation describes inventory transaction processing and controlled-item attributes in the Oracle Inventory User's Guide, Release 12.1. Oracle's E-Business Suite Release 12.1 documentation library provides the related setup and transaction reference material.

QUESTION NO: 22

A buyer wants to allow a supplier to deliver a limited quantity above the quantity ordered on a purchase order shipment.

Which shipment control establishes the maximum percentage by which the supplier may overreceive?

A. Over Receipt Tolerance

B. Receipt Close Tolerance

C. Invoice Tolerance

D. Quantity Received

E. Receiving Close Point

ANSWER: A

Explanation:

Over Receipt Tolerance is correct. This control establishes the percentage by which the quantity received may exceed the quantity ordered on a purchase order shipment. For example, an over receipt tolerance of 5 percent allows the receiving organization to receive up to 105 units against an order for 100 units, subject to the applicable receiving controls.

Receipt Close Tolerance determines when a shipment can be considered closed based on the quantity received. Invoice Tolerance controls permitted variance during Payables invoice validation. Quantity Received is a transaction result, not a control used to establish permitted overreceipt. Oracle documents receipt controls and tolerances in the Oracle Purchasing User's Guide.

QUESTION NO: 23

ABC Corp. uses Oracle E-Business Suite Release 12 and wants to design an Order Status Web inquiry screen to make order statuses visible to its customers online.

How can ABC Corp. ensure that customers view only their individual order statuses?

A. by securing attributes for each customer

B. by excluding attributes for individual customers

C. by assigning a separate attribute value for INTERNAL_CONTACT_ID

D. by assigning the same attribute value for CUSTOMER_CONTACT_ID

ANSWER: A

Explanation:

Securing attributes for each customer is correct because attribute security applies data-access restrictions using values associated with the authenticated customer context. The Order Status Web inquiry can use a secured customer-related attribute as part of its access control and query criteria. When a customer signs in, Oracle E-Business Suite evaluates that customer's authorized attribute value or values and limits the order-status data returned by the page accordingly. This makes the restriction data-driven: the same inquiry page can be used by many customers while each session is constrained to the orders belonging to the customer represented by that session. Properly defining the secured attribute and associating it with the appropriate customer identity ensures that the application enforces the intended visibility rule rather than relying on users to select or enter a customer identifier themselves. Oracle E-Business Suite documentation describes the framework and security capabilities used to control access to application data and functionality; see the Oracle E-Business Suite Release 12.1 Documentation Library and Oracle's E-Business Suite product documentation resources.

QUESTION NO: 24

Which three are true about the Evaluated Receipt Settlement (ERS) proems? (Choose three)

A. Invoice is always created for the supplier site.

B. Invoice is always created In unapproved status,

C. Invoice currency is always defaulted from the purchase order currency.

D. Payment currency is always defaulted from the purchase order currency,

E. Payment terms are always defaulted from the purchase order payment terms.

F. Amount is always determined by multiplying the Quantity received by the purchase order item unit price.

ANSWER: B C F

Explanation:

Evaluated Receipt Settlement automatically creates a Payables invoice from an eligible receiving transaction rather than requiring a supplier-submitted invoice. The resulting ERS invoice is created in an unapproved status so that it can follow the organization's normal Payables invoice-validation and approval controls before payment. This preserves the required financial-control process even though invoice entry is automated.

For an ERS transaction, the purchase order supplies the commercial information used to construct the invoice. Therefore, the invoice currency is defaulted from the purchase order currency. The invoice amount is calculated from the received quantity and the unit price on the purchase order, which allows the receipt to become the basis for settlement. This behavior supports the central ERS principle: payment is based on what was received and on the agreed purchase order pricing. Oracle's Purchasing documentation describes ERS as receipt-based automatic invoice creation, while the Payables documentation covers the subsequent invoice control and validation flow. See the Oracle E-Business Suite Purchasing User's Guide and the Oracle Payables User's Guide.

QUESTION NO: 25

The Child Lots check box is enabled at the organization item level. Which two statements are true? (Choose two.)

A. The lot splitting process is enabled by this feature.

B. The system would maintain lot genealogy with child and parent lots.

C. Child lot characteristics are completely different from that of parent lots.

D. Child lots are unique and independent lots. They are not linked with parent lots.

E. Short expiry lots are child lots. Child lots generate unique numbers across items.

F. Child lots are a subdivision of the parent lots and maintain integrity with the parent lots.

ANSWER: B F

Explanation:

When Child Lots is enabled for an organization item, Oracle Inventory supports a parent-and-child lot structure. "Child lots are a subdivision of the parent lots and maintain integrity with the parent lots." This describes the purpose of child lot control: a parent lot can be subdivided while retaining the relationship needed to trace the resulting material back to its source lot. The child lot is therefore not treated as an unrelated, standalone lot.

"The system would maintain lot genealogy with child and parent lots" is also true because the parent/child relationship is recorded as part of lot genealogy. This relationship provides traceability through inventory transactions and helps organizations identify the originating parent lot for material held in, or transacted through, a child lot. Such traceability is especially important when lot-controlled material must be investigated, quarantined, or recalled. Oracle documents child lots as a method for subdividing a lot while preserving its relationship with the parent, and documents lot genealogy as the facility used to trace lot relationships and transactions. See the Oracle Inventory User's Guide and the Oracle E-Business Suite Release 12.1 documentation library.

QUESTION NO: 26

Your customer completes two discrete jobs. Each job completes with a quantity of 100. After job completion, the business user found that 10 components used in Job1 were bad. All the components are serial-controlled items. Job1 reopened so that they could return the WIP Component for the 10 quantities back to inventory. The list of values (LOV) shows all the serial numbers irrespective of the component used in the specific discrete job. Which setup or process would restrict the component serial numbers specific to their discrete job from appearing in the LOV that is used?

A. Setup INV: Geneology Delimited: Yes

B. Setup INV: Validate Returned Serial: Yes

C. Setup INV: Restrict Receipt of Serial: Yes

D. Serial Control at the item level: Predefined

E. Serial number assigned during WIP completion

F. Serial number assigned during WIP assembly return

G. The system automatically defaults the serial numbers respective to their discrete jobs.

ANSWER: B

Explanation:

Setup INV: Validate Returned Serial: Yes is correct. The Inventory organization parameter for validating returned serial numbers controls whether Oracle verifies that a serial-controlled component being returned from WIP was originally issued to the particular WIP job or repetitive schedule from which the return is being processed. When it is enabled, the serial-number list of values is restricted to serial numbers associated with the selected discrete job's prior component issue transaction. Therefore, while returning the ten defective components from Job1, the user can select only the serial numbers actually issued to Job1, rather than serial numbers issued to Job2 or otherwise available in the organization.

This validation is especially important for serial-controlled material because serial numbers provide the transaction-level identity needed to preserve accurate WIP material history, inventory balances, and traceability. Reopening the job makes the material return transaction possible, but enabling returned-serial validation is what ties the selectable serial numbers to the job-specific issue history. Oracle documents serial-number controls and transaction validation in its Oracle Inventory implementation and user documentation; see Oracle Inventory User's Guide: Serial Number Control and Oracle Work in Process User's Guide.

QUESTION NO: 27

Due to excessive customer returns, the client needs to prevent the reservation and subsequent shipping to customers of a specific lot number for an item, pending a quality review. Identify two conditions that will satisfy this requirement. (Choose two.)

A. Assign the lot a material status that does not permit reservations.

B. Assign the lot a material status that only permits subinventory transfers and issues to scrap.

C. Assign the lot a material status that does not permit reservations, but only permits subinventory transfers and issues to scrap.

D. Transfer the quantity on hand of the item to a subinventory that does not permit reservations, but only permits subinventory transfers and issues to scrap.

ANSWER: C D

Explanation:

Assign the lot a material status that does not permit reservations, but only permits subinventory transfers and issues to scrap, is correct because material status controls which inventory transactions are permitted for inventory identified by that lot. Applying a restrictive status directly to the affected lot isolates the quality hold to that specific lot number. By preventing reservations and allowing only controlled internal movement or disposition to scrap, the lot cannot be allocated to customer demand or processed through the sales-order shipping flow while the review is pending.

Transfer the quantity on hand of the item to a subinventory that does not permit reservations, but only permits subinventory transfers and issues to scrap, also satisfies the requirement. A subinventory material status applies transaction controls to the inventory held in that subinventory. Moving the questionable quantity into a restricted subinventory therefore prevents it from being reserved or shipped, while retaining the ability to move it internally for inspection, quarantine handling, or eventual scrapping. This is useful where the client wants to segregate all affected stock physically and operationally during the quality-review process. Oracle Inventory material statuses can be assigned at relevant inventory-control levels and are used to restrict allowed transactions. See the Oracle Inventory User's Guide material status documentation and the Oracle E-Business Suite Release 12.1 documentation library.

QUESTION NO: 28

Employee Information in Oracle E-Business Suite Release 12 is partitioned by_____.

A. Legal Entity

B. Operating Unit

C. Business Group

D. HR Organization

E. Inventory Organization

ANSWER: C

Explanation:

Employee Information in Oracle E-Business Suite Release 12 is partitioned by **Business Group**. In Oracle Human Resources Management System, a business group represents the highest-level organizational partition for human-resources information. Employee and applicant records are created within a business group, and that association controls the HR setup, legislative context, security model, and data access applicable to those people. This structure lets one E-Business Suite installation support distinct enterprises, or separately managed parts of an enterprise, while maintaining appropriate separation of their workforce data.

A business group is also the fundamental context in which HRMS defines such information as jobs, positions, grades, payroll-related configurations, and people. Responsibility security profiles can then limit a user's access to people and organizations within the relevant business group. This is why employee data is described as being partitioned by business group, even though employee-related transactions can be associated with organizations and can interact with other E-Business Suite structures. Oracle's Release 12 documentation is available through the Oracle E-Business Suite 12.1 Documentation Library; see also the Oracle HRMS documentation for its enterprise and workforce-management concepts.

QUESTION NO: 29

At BBC Inc., you are implementing Oracle Work in Process, Oracle Advanced Supply Chain Planning, Oracle Bill Of Materials, Oracle Inventory, and Oracle Engineering. When creating requisitions, which two modules do NOT feed data into Oracle Purchasing? (Choose two.)

A. Oracle Inventory

B. Oracle Engineering

C. Oracle Bill Of Materials

D. Oracle Work in Process

E. Oracle Advanced Supply Chain Planning

ANSWER: B C

Explanation:

Oracle Engineering and Oracle Bill Of Materials do not independently generate or feed requisition demand into Oracle Purchasing. Oracle Engineering is primarily used to control engineering items, revisions, and engineering change orders. Its item and change-control information can support the product-development process, but it is not a requisition-creation source for Purchasing.

Oracle Bill Of Materials maintains product structures and component relationships, including the components required to build an assembly. This information is fundamental to planning and manufacturing calculations, but the bill definition itself does not create a purchase requisition in Oracle Purchasing. Requisition demand is generated by the applications that execute replenishment, planning, or manufacturing supply actions; those applications may use item, revision, and component information maintained elsewhere.

Oracle's Purchasing documentation describes the Requisition Import process as the mechanism through which source applications create requisitions in the Purchasing interface tables for subsequent processing. Engineering and bill-of-material

maintenance are not listed as requisition-import source processes. See the Oracle Purchasing User's Guide: Requisition Import and the Oracle E-Business Suite documentation library.

QUESTION NO: 30

For which three transaction types can picking rules be created? (Choose three.)

A. PO Receipt

B. Sales Order

C. Cycle Count

D. Work-in-process jobs

E. Miscellaneous Receipt

F. Move Order Replenishment

G. Physical Inventory Adjustment

ANSWER: B D F

Explanation:

Picking rules can be created for **Sales Order**, **Work-in-process jobs**, and **Move Order Replenishment**. In Oracle Inventory, a picking rule specifies the order in which on-hand material is allocated for a demand transaction. The rule can use criteria such as subinventory, locator, revision, lot, and serial number controls to direct the allocation process consistently. For a sales order, the picking rule helps determine the inventory from which ordered items are allocated for customer shipment. For work-in-process jobs, it supports allocation of components needed to supply manufacturing activity. For move order replenishment, it supports replenishing a destination subinventory or locator from an appropriate source according to the defined allocation strategy. These transaction types are supported by the Inventory picking-rule setup because each represents demand for material that must be allocated from available on-hand inventory. Oracle documents picking rules as part of its material-allocation and move-order functionality; see the Oracle E-Business Suite R12.1 Inventory User's Guide and the Oracle Inventory material allocation documentation.

QUESTION NO: 31

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: C D

Explanation:

An Approved Supplier List (ASL) records approved supplier relationships for an item or commodity/category and can identify a quotation or blanket purchase agreement as the source document used during requisition sourcing. A blanket purchase agreement is an agreement document: purchasing against it is performed through a blanket release, rather than by using the agreement itself as the source for an item on a standard purchase-order line. Therefore, "A blanket purchase agreement cannot be set up as a source for an item in a purchase order line" accurately reflects the distinction between a blanket agreement and the release document created against it.

“You can get the price breaks to default to a requisition from a quotation or a blanket purchase agreement” is also correct. When Purchasing identifies an eligible source document through ASL sourcing, it can use the source document’s pricing information, including applicable price breaks, to default pricing onto the requisition line. This supports consistent negotiated pricing and reduces manual entry when demand is converted into purchasing documents. Oracle describes ASL source-document association and automatic document sourcing in the Oracle Purchasing User’s Guide. Additional product documentation is available from the Oracle E-Business Suite 12.1 documentation library.

QUESTION NO: 32

Identify three valid sources of Inventory Demand. (Choose three.)

A. Approved Requisition Lines

B. Miscellaneous Transactions

C. Scheduled CMRO Work Orders

D. Approved Purchase Order Lines

E. Sales Order Lines in Entered status

F. WIP Work Orders in Released status

G. Sales Orders Lines in Scheduled status

ANSWER: C F G

Explanation:

Oracle Inventory recognizes demand from downstream fulfillment and production requirements that have progressed to statuses representing a real, planned need for material. **Scheduled CMRO Work Orders** are a valid demand source because maintenance work orders that are scheduled create requirements for the components needed to perform the maintenance activity. **WIP Work Orders in Released status** are also valid because release authorizes execution of the manufacturing job and makes its component material requirements relevant to inventory planning and availability. **Sales Orders Lines in Scheduled status** represent committed customer fulfillment requirements with scheduled dates and quantities, so Inventory can use them as demand when calculating available-to-promise and supply-and-demand information.

These sources are distinguished by their actionable statuses: scheduling establishes a dated maintenance or customer requirement, while release establishes an executable production requirement. Oracle Inventory’s demand and availability functionality uses such eligible order and work-order demand to present a meaningful view of material requirements against on-hand quantity and expected supply. See the Oracle Inventory User's Guide, Release 12.1 and the Oracle E-Business Suite Release 12.1 documentation library.