DBCLOUD
EXAMS

QUESTIONS & ANSWERS

verified



Technology Provider: Microsoft

Exam: Microsoft Dynamics 365 Finance Functional Consultant

Number of questions in the database: 407

Exam Version: NOV.2026

Topic 1 - Question Set 1

Question #1*Topic 1*

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.
After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.
You are configuring the year-end setup in Dynamics 365 Finance.
You need to configure the year-end setup to meet the following requirements:
☞ The accounting adjustments that are received in the first quarter must be able to be posted into the previous year's Period 13.
☞ The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.
☞ All dimensions from profit and loss must carry over into the retained earnings.
☞ All future and previous periods must have an On Hold status.
Solution:
☞ Configure General ledger parameters.
- Set the Delete close of year transactions option to Yes.
- Set the Create closing transactions during transfer option to Yes.
- Set the Fiscal year status to permanently closed option to No.

☞ Define the Year-end close template.
- Designate a retained earnings main account for each legal entity.
- Set the Financial dimensions will be used on the Opening transactions option to No.
- Set the Transfer profit and loss dimensions option to Close All.

☞ Set all prior and future Ledger periods to a status of On Hold.
Does the solution meet the goal?

- A. Yes **Most Voted**
- B. No

Correct Answer: *A*

Respuesta por mayor votación de la comunidad

A (100%)

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Question #2*Topic 1*

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.
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You are configuring the year-end setup in Dynamics 365 Finance.
You need to configure the year-end setup to meet the following requirements:
☞ The accounting adjustments that are received in the first quarter must be able to be posted into the previous year's Period 13.
☞ The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.
☞ All dimensions from profit and loss must carry over into the retained earnings.
☞ All future and previous periods must have an On Hold status.
Solution:
☞ Configure General ledger parameters.
- Set the Delete close of year transactions option to Yes.
- Set the Create closing transactions during transfer option to Yes.
- Set the Fiscal year status to permanently closed option to Yes.
☞ Define the Year-end close template.
- Designate a retained earnings main account for each legal entity.
- Set the Financial dimensions will be used on the Opening transactions option to Yes.
- Set the Transfer profit and loss dimensions to Close All.
☞ Set all prior and future Ledger periods to a status of On Hold.
Does the solution meet the goal?

- A. Yes
- B. No **Most Voted**

Correct Answer: *B*

Respuesta por mayor votación de la comunidad

B (71%)

A (29%)

Question #3*Topic 1*

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.
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You are configuring the year-end setup in Dynamics 365 Finance.
You need to configure the year-end setup to meet the following requirements:

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☞ The accounting adjustments that are received in the first quarter must be able to be posted into the previous year's Period 13.
☞ The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.
☞ All dimensions from profit and loss must carry over into the retained earnings.
☞ All future and previous periods must have an On Hold status.
Solution:
☞ Configure General ledger parameters.
- Set the Delete close of year transactions option to No.
- Set the Create closing transactions during transfer option to No.
- Set the Fiscal year status to permanently closed option to No.
☞ Define the Year-end close template.
- Designate a retained earnings main account for each legal entity.
- Set the Financial dimensions will be used on the Opening transactions option to No.
- Set the Transfer profit and loss dimensions to Close All.
☞ Set all prior and future Ledger periods to a status of On Hold.
Does the solution meet the goal?

- A. Yes
- B. No

Correct Answer: *B*

Respuesta por mayor votación de la comunidad

B (100%)

Question #4*Topic 1*

HOTSPOT -
You are implementing a Dynamics 365 Finance general ledger module for a client that has multiple legal entities.
The client has the following requirements:
☞ Configure automatic creation of due to/due from transactions based on when LegalEntityA transacts with LegalEntityB.
☞ Automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.
☞ Set up fixed or variable allocations, and then review the allocations in a journal before posting.
☞ Automatically post year-end results to account 30016 during year-end close.
You need to configure the system.
Which system capability should you configure? To answer, select the appropriate configuration in the answer area.
NOTE: Each correct selection is worth one point.

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Hot Area:

Answer Area

Client requirement	System capability
You must configure automatic creation of due to/due from transactions based on when LegalEntityA transacts with LegalEntityB.	intercompany journal global journal entry ledger allocation rules accounts for automatic transactions
You must automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.	ledger allocation rules allocation terms accounts for automatic transactions intercompany journal
You must set up fixed or variable allocations, and then review the allocations in a journal before posting.	intercompany journal ledger allocation rules allocation terms accounts for automatic transactions
The system must automatically post year-end results to account 30016 during year-end close.	ledger allocation rules allocation terms accounts for automatic transactions intercompany journal

Correct Answer:

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Answer Area

Client requirement	System capability
You must configure automatic creation of due to/due from transactions based on when LegalEntityA transacts with LegalEntityB.	intercompany journal global journal entry ledger allocation rules accounts for automatic transactions
You must automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.	ledger allocation rules allocation terms accounts for automatic transactions intercompany journal
You must set up fixed or variable allocations, and then review the allocations in a journal before posting.	intercompany journal ledger allocation rules allocation terms accounts for automatic transactions
The system must automatically post year-end results to account 30016 during year-end close.	ledger allocation rules allocation terms accounts for automatic transactions intercompany journal

Question #5*Topic 1*

A company is preparing to complete a year-end close process.
You need to configure the Dynamics 365 Finance general ledger module.
Which three configurations actions should you perform? Each correct answer presents part of the solution.
NOTE: Each correct selection is worth one point.

- A. Configure the Fiscal year close parameters
- B. Configure the ledger calendar for the new fiscal year
- C. Set up the year end close template
- D. Validate the main account type
- E. Create the next fiscal year

Correct Answer: *ADE*

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Respuesta por mayor votación de la comunidad

ACE (57%)

ADE (43%)

Question #6*Topic 1*

A client has unique accounting needs that sometimes require posting definitions.
You need to implement posting definitions.
In which situation should you implement posting definitions?

- A. when financial dimensions need to default from the vendor record onto an invoice
- B. when only certain dimensions are allowed to post with certain main account combinations
- C. when creating multiple balanced ledger entries based on transaction types or accounts **Most Voted**
- D. when the system needs to automatically post a transaction to the accounts receivable account on invoice posting

Correct Answer: *D*

Respuesta por mayor votación de la comunidad

C (100%)

Question #7*Topic 1*

An organization is setting up a cost accounting.
You need to set up fiscal calendars for Dynamics 365 Finance.
What are three uses for fiscal calendars? Each correct answer presents a complete solution.
NOTE: Each correct selection is worth one point.

- A. standard work hours
- B. financial transactions **Most Voted**
- C. fixed asset depreciation **Most Voted**
- D. budget cycles **Most Voted**
- E. shift work hours

Correct Answer: *BCD*

Respuesta por mayor votación de la comunidad

BCD (100%)

Question #8*Topic 1*

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You are configuring automatic bank reconciliation functionality for a company that has multiple bank accounts. The company wants to import their bank statements.
You need to import electronic bank statements to reconcile the bank accounts.
Which three actions can you perform? Each correct answer presents a complete solution.
NOTE: Each correct selection is worth one point.

- A. Select all the bank accounts for the bank statement files, and then upload all files
- B. Select Account reconciliation on the bank account form
- C. Import bank statements from the Data management workspace
- D. Navigate to Import statement on the Bank Statements page of Cash and Bank Management
- E. Select Import statement for multiple bank accounts in all legal entities, and then upload a zip file

Correct Answer: *BDE*

Respuesta por mayor votación de la comunidad

CDE (100%)

Question #9*Topic 1*

A company plans to create a new allocation rule for electric utilities expenses.
The allocation rule must meet the following requirements:
☞ Distribute overhead utility expense to each department.
☞ Define how and in what proportion the source amounts must be distributed on various destination lines.
You need to configure the allocation rule.
Which allocation method should you use?

- A. Distribute the source document amount equally
- B. Fixed weight **Most Voted**
- C. Equally
- D. Basis **Most Voted**

Correct Answer: *D*

Respuesta por mayor votación de la comunidad

D (53%)

B (47%)

Question #10*Topic 1*

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HOTSPOT
A food manufacturer uses commodities such as beans, corn, and chili peppers as raw materials. The prices of the commodities fluctuate frequently. The manufacturer wants to use cost versions to simulate these fluctuations.
You need to set up cost versions and prices to accomplish the manufacturer's goal.
For which purpose should you use each costing type? To answer, select the appropriate options in the answer area.
NOTE: Each correct selection is worth one point.
Hot Area:

Answer Area

Costing type	Purpose
Standard cost	to support cost calculation simulation to support actual cost inventory model to support standard cost inventory model
Planned cost	to support cost calculation simulation to support standard cost for master plan to directly activate planned cost to standard cost

Correct Answer:

Answer Area

Costing type	Purpose
Standard cost	to support cost calculation simulation to support actual cost inventory model **to support standard cost inventory model**
Planned cost	**to support cost calculation simulation** to support standard cost for master plan to directly activate planned cost to standard cost

Question #11*Topic 1*

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