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Vendor:Oracle

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Exam Name:Oracle E-Business Suite (EBS) R12
Project Essentials

Version:Demo

QUESTION 1

You have set up a capital projects "Building Construction" with task "Block A." Which method should be used to capitalize the transactions charged to "Block A" with the expenditure type "Construction Costs" and expense the transactions charged to "Block A" with the expenditure type "Overheads"?

- A. In the Expenditure type setup, mark "Overheads" as Non-capitalizable.
- B. Set up transaction controls at the "Block A" task to make "Overheads" Non-capitalizable.
- C. Define the "Block A" task as Non-capitalizable.
- D. Exclude "Overheads" from Capitalization in Asset assignments.
- E. Use Asset Lines Processing Extension.

Correct Answer: B

Capitalizable to Non-Capitalizable or Non-Capitalizable to Capitalizable

You can mark a capitalizable expenditure item as non-capitalizable, or vice versa. A capitalizable item can be grouped into an asset line you send to Oracle Assets. A non-capitalizable item cannot become an asset cost in Oracle Assets. You can define tasks as capitalizable or non-capitalizable; you can further specify which items are non-capitalizable using transaction controls.

QUESTION 2

A client requires a project definition that allows for charging expenditures to the project at a higher Work Breakdown Structure level than where the manually entered percentage complete progress is captured. Which three Shared Structure relationships will support this requirement?

- A. Shared
- B. Partially shared
- C. Mapped
- D. Not shared
- E. Vertical

Correct Answer: ABD

Structure Integration Setup

If you enable both a workplan structure and a financial structure for your project or project template, you can decide whether or not they are integrated, and if so, to what degree. You do this by choosing one of the following options on the

Structures setup page:

*Shared Structures: Enables you to generate a financial structure with a task hierarchy that is fully shared by the workplan structure task hierarchy. Workplan and financial structures are fully shared by default.

*Partially Shared Structures: Enables you to generate a financial structure that is partially shared by the workplan structure hierarchy.

*Non-Shared: Task-Based Mapping: Enables you to map individual workplan structure tasks to individual financial structure tasks.

*Non-Shared: No Mapping: Choose this if you do not want to integrate your project workplan and financial structures in any way.

QUESTION 3

A project is enabled for Burdening by setting up a burden schedule at the project type level. A Miscellaneous expenditure Item is charged to the project with a raw cost of \$100 and expenditure type "Overhead." The "Overheads" expenditure type is excluded from all cost bases in the burden structure.

What happens when the "PRC: Distribute usage and Miscellaneous Costs" program is run for this project?

- A. The program errors with the message "Missing Expenditure type."
- B. The program completes successfully; Raw Cost = \$100, Burden Cost=\$0, Total Burdened cost=\$100.
- C. The program completes successfully; Raw Cost=\$100, Burden Cost= \$100, Total Burdened cost=\$100.
- D. The program completes successfully; Raw Cost = \$100, Burden Cost=\$0, Total Burdened cost= \$0.

Correct Answer: C

Note:

*Distribute Usage and Miscellaneous Costs

The process computes the costs and determines the default GL account to which to post the cost for expenditure items with the following expenditure type classes:

Usages

Burden Transactions

Miscellaneous Transactions

Inventory and WIP transactions not already costed or accounted

QUESTION 4

You are setting up an AutoAccounting rule and trying to use "Class Code" as the parameter for that rule. Which setup must exist in order to use "Class Code" as one of the parameters?

- A. Enable AutoAccounting for one Class Code of a Class Category.
- B. Enable AutoAccounting for all the Class Codes of a Class Category.

- C. Enable AutoAccounting for the Class Category.
- D. Enable AutoAccounting for both Class Category and Class Code.

Correct Answer: A

*AutoAccounting Parameter: ClassCode

AutoAccounting class code on the project.

Note: Since you can define many project classification categories, the Class Code parameter always corresponds to the one classification category that you specified as the AutoAccounting classification category.

QUESTION 5

Which statement is true about the use of the calendar assigned to a project?

- A. It is the default calendar assigned to resource requirements for the project.
- B. It is the default calendar for the automatic generation of cost forecasts in Financial Plans.
- C. It is the default calendar used for determining accounting periods.
- D. It is used in the determination of currency exchange rates.
- E. It is used by date-dependent system workflows.

Correct Answer: C

When you implement Oracle Projects, you can select the calendar used to maintain PA periods.

PA Period Type

Specify a Period Type, which is used to copy Project Accounting Periods from the calendar associated with the ledger. If you copy PA Periods from GL, Oracle Projects copies all of the periods of this Period Type to set up the PA Periods.

In a multiple organization environment, the PA Period Type is specified for each operating unit.

QUESTION 6

A new contract project is created for work for a customer by using event-based billing. A decision has been made to give a discount to the customer on a particular invoice. You want to apply this discount and reduce the invoice without affecting revenue.

Which event type should be used to achieve this?

- A. Manual
- B. Invoice Reduction
- C. Deferred Revenue

D. Automatic

E. ScheduledPayment

Correct Answer: D

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

QUESTION 7

A customer is billed using deliverable billing events, which are currently approved by the customer and the finance director before invoicing. There are often invoices awaiting the finance director's approval and release. The Finance director

would like to use functionality that allows all invoices to be approved and released automatically.

How can this be achieved?

A. Use deliverable management to automatically approve the invoice.

B. Implement the cost-to-cost billing extension.

C. Implement the cost accrual and project status inquiry extension.

D. Implement the invoice approval/release extension.

E. Set the "Interface unreleased revenue to GL" profile option to "Yes."

Correct Answer: D

The Automatic Invoice Approve/Release Extension allows you to release invoices automatically as part of the Generate Draft Invoice process.

Incorrect:

Not E:

Generating Revenue Accounting Events

After you generate and release the revenue, you run the concurrent program PRC: Generate Revenue Accounting Events. The concurrent program determines default unearned revenue and unbilled receivables accounts using

AutoAccounting and generates accounting events for Oracle Subledger Accounting. Note: If you set the profile option PA: Interface Unreleased Revenue to GL to yes, then Oracle Projects automatically releases any unreleased revenue when

you run the concurrent program PRC: Generate Revenue Accounting Events.

QUESTION 8

A customer wants to make a new classification mandatory on all their new projects. Select the three options that could help them accomplish this.

- A. Define the classification as Mandatory in the Classification configuration.
- B. Define the classification as Mandatory in the Project Type configuration.
- C. Define the classification category to allow one code only.
- D. Define project status controls to disallow project status changes where classification category codes are missing.
- E. Define the classification as Required on the appropriate project templates in the QuickEntry screen.

Correct Answer: A

Note:

*You define project classifications to group your projects according to categories you define. A project classification includes a class category and a class code. The category is a broad subject within which you can classify projects. The code

is a specific value of the category.

*(see step 3 below) Defining class categories and class codes

To define class categories and class codes:

1. Navigate to the Class Categories and Codes window.
 2. Enter a unique Class Category name and a Description. 3. Specify whether the class category is mandatory for every project you define. Enable if all projects must have a code assigned to this class category. Do not enable if this class category is optional. If you do not enable this option, you cannot use this class category in your AutoAccounting rules.
 4. Specify whether you want to use the class category in your AutoAccounting rules. Suggestion: For each project, you can use only one code with one class category for use with AutoAccounting rules. If an AutoAccounting category already exists within a particular date range, assign an end date to the existing AutoAccounting category and then create a new one. 5. Specify whether you want to allow entry of only one class code with this class category for a project. Note: Defining multiple class codes for one category for a project may affect reporting by class category; defining multiple class codes may cause your numbers to be included more than once. 6. Enter the Name, Description, and Effective Dates for each class code.
 7. Save your work.
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QUESTION 9

In which two circumstances would it be appropriate to deselect the "Interface Revenue to GL" option in System Implementation Options, before you run the Interface to GC?

- A. During data migration if Revenue is already in General Ledger
- B. When Revenue is handled in Accounts Receivable

- C. When AutoAccounting is incorrect and the Revenue interfacing to General Ledger needs to be put on hold.
- D. When Finance wants to reconcile Unbilled Receivables/Unearned Revenue
- E. When Revenue was generated in error for all projects in Released status, and needs to be corrected.

Correct Answer: AB

A: If the revenue amounts are already interfaced to General Ledger (GL) through a different interface, then uncheck the 'Interface Revenue to GL' option in the implementation options and run the 'Interface Revenue to GL' process in Oracle projects. This will turn the flags in the revenue records as accepted in GL, though it is not interfaced. Once this is done, revert back the implementation option back to its original state.

QUESTION 10

A customer has two operating units: US and Ireland. A project that is set in the Ireland operating unit requires the services of employees from the US operating unit.

Identify three mandatory steps that must be completed for the employees in the US to enter their time on the project and for costs to be successfully distributed.

- A. Set up Internal Billing Implementation options in US and Ireland.
- B. Define provider controls in US and receiver controls in Ireland.
- C. Setup a new transaction source to receive Intercompany transactions in Ireland.
- D. For the project in Ireland, select "Allow Cross Charges to all Operating Units within Legal Entity".
- E. For the project in Ireland, set up transaction controls to allow charges from other operating units.

Correct Answer: BCD

B: Provider and Receiver Controls Setup

For each provider operating unit or receiver operating unit involved in the cross charge, the Provider/Receiver Controls window Provider Controls and Receiver Controls tabs specify:

The cross charge method to use to process intercompany cross charges and to override default cross charge method for inter-operating unit cross charges.

Attributes required for the provider operating unit to process intercompany billing to each receiver operating unit. This includes the Intercompany Billing Project and Invoice Group.

Attributes required for the receiver operating unit to process intercompany billing from each provider operating unit. This includes the supplier site, expenditure type and expenditure organization.

*

(C) Intercompany Billing Accounting Companies choose the intercompany billing method largely due to legal and statutory requirements. When you use this method, Oracle Projects generates physical invoices and corresponding accounting entries at legal transfer prices between the internal seller (provider) and buyer (receiver) organizations when they cross a legal entity boundary or operating units.

*

(D)Overview of Cross Charge When projects share resources within an enterprise, it is common to see those resources shared across organization and country boundaries. Further, project managers may also divide the work into multiple projects for easier execution and management. The legal, statutory, or managerial accounting requirements of such projects often present complex operational control, billing, and accounting challenges.

Oracle Projects enables companies to meet these challenges by providing timely information for effective project management. Project managers can easily view the current total costs of the project, while customers receive bills as costs are incurred, regardless of who performs the work or where it is performed.

References:

QUESTION 11

A company has multi-currency projects and tasks. What is the hierarchy in which the currency attributes are allocated to a transaction?

- A. Project, Task
- B. Implementation Options, Project, Task
- C. Task, Project, Implementation Options
- D. Task, Implementation Options, Project

Correct Answer: B

Note:

Setting up Multi-Currency Transactions

To set up your system to process multi-currency transactions, perform the following steps:

*Implementation Options

Use the Currency Implementation Options to control the default values for currency attributes at the operating unit level. Oracle Projects uses the currency attributes to calculate currency exchange rates.

See: Currency Implementation Options.

*Currency

For each project for which you want to process multi-currency transactions, set up the Currency options in the project and task options window. This option enables you to enter default currency attributes for a project. See: Currency, Oracle

Projects Fundamentals.

*Cross Charge

You can use the Cross Charge Options to specify whether the project can accept charges from other operating units. See: Cross Charge Setup, Oracle Projects Fundamentals.

*Task Currency and Cross Charge Options

*You can use the Task Currency and Cross Charge Options to override the costing currency conversion attributes and

cross charge options in a lowest task. See:

Currency, Oracle Projects Fundamentals and Cross Charge Setup, Oracle Projects Fundamentals. *Transaction Entry and Transaction Import During Transaction Entry and Transaction Import, you can override the project and task currency attributes. See: Entering Expenditures, Oracle Project Billing User Guide and Currency Conversion Attributes for Imported Transactions, Oracle

Projects APIs, Client Extensions, and Open Interfaces Reference.

QUESTION 12

A company is using Project Billing. To meet their billing requirements, the company has Set up various revenue categories. Identify four places where the company can use these revenue categories in Oracle Project.

- A. Setting up Transaction Controls using Revenue Categories.
- B. Grouping Expenditure Types by Revenue Categories.
- C. Grouping Event Type Revenue Categories.
- D. Defining Rate Schedules using Revenue Categories.
- E. Setting up Auto Accounting Rules using Revenue Categories.
- F. Entering Budgets using Revenue Categories.

Correct Answer: BCEF

Revenue categories are used for grouping expenditure types(B) and event types(C) for revenue and billing. You can use revenue categories for budgeting(F), for reporting purposes, and in your Auto Accounting rules(E). Revenue Categories are also used for grouping expenditure types for revenue and billing(B).

Note:

*A revenue category describes a source of your organization's revenue. For example, a revenue category with a name such as Labor refers to labor revenue.