



MB-320^{Q&As}

Microsoft Dynamics 365 Supply Chain Management, Manufacturing

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QUESTION 1

HOTSPOT

A company implements Dynamics 365 Supply Chain Management.

Production orders are generated for products directly from projects. You create the following production order:



Create production order

IDENTIFICATION

Production

000006

Item number

BOM

Name

BOM1

INVENTORY DIMENSIONS

Site

MainOffice

Warehouse

MainOffice

PRODUCTION

Type

Standard

Quantity

50.00

Delivery

4/12/2019

Time

10:00 AM

BOM/ROUTE

BOM date

4/12/2019

BOM number

BOM500

Route number

GROUPINGS

Pool

Production group

SETUP

Ledger

Item and resource

Reservation

Manual

Release to warehouse

Allow partial reservation

PROJECT

Project ID

00000224

Activity number

Posting method

Finished item

FINISHED ITEM

Category

ProjItem

Line property

Billable

Sales currency

USD

Unit

ea



Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

Question

Answer choice

When will costs for product components and labor be recognized against the project?

	▼
Item transactions are created when the production order is ended	
Item transactions are created when the production order is started	
Item transactions are created at each step in the production process	

The company is using standard cost for several of its components used in production. What should you change in the production order?

	▼
Change the Posting method to Consumed	
Change the Reservation to Automatic	
Change the Category to use Subcontract	

Correct Answer:

Question

Answer choice

When will costs for product components and labor be recognized against the project?

	▼
Item transactions are created when the production order is ended	
Item transactions are created when the production order is started	
Item transactions are created at each step in the production process	

The company is using standard cost for several of its components used in production. What should you change in the production order?

	▼
Change the Posting method to Consumed	
Change the Reservation to Automatic	
Change the Category to use Subcontract	

QUESTION 2

You use the master planning module for Dynamics 365 Supply Chain Management.

Planned production orders have been created.

Several sales orders are canceled in response to concerns about recent online reviews of a product.

You need to enable the appropriate action message.

Which action message should you enable?

A. Increase

B. Decrease



C. Advance

D. Postpone

E. Derived actions

Correct Answer: B

Explanation:

Decrease - The system will generate action messages when production orders, purchase orders, and other receipt transactions should be decreased to prevent excess inventory levels.

Incorrect:

*

Increase - The system will generate action messages when production orders, purchase orders, and other receipt transactions should be increased to prevent shortages in inventory.

*

Advance - The system will generate action messages, as they are needed, to move orders to an earlier date. In the Advance margin field, you can specify the maximum number of days that can pass between a receipt and an issue without an advance action.

*

Postpone - The system will generate action messages, as they are needed, to move orders to a later date. In the Postpone margin field, you can specify the maximum number of days that can pass between a receipt and an issue without a postpone action.

*

Derived actions - Action messages that are created for receipt transactions will be propagated to any derived requirements, and the necessary action messages will be generated for the receipt transactions that satisfy those requirements.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/master-planning/action-messages>

QUESTION 3

HOTSPOT

You need to set up the chocolate items.

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

NOTE: Each correct selection is worth one point.

Hot Area:



Requirement

Value

Segregate organic ingredients from non-organic ingredients.

Item Filter Code for Organic, Organic Formula
Predefined Variant, Organic Formula
Product Configuration, Organic Formula

Track the sourcing.

Vendor, Certificate, Expiry
Item Attribute
Purchase Order Address
Restricted Products List

Correct Answer:

Requirement

Value

Segregate organic ingredients from non-organic ingredients.

Item Filter Code for Organic, Organic Formula
Predefined Variant, Organic Formula
Product Configuration, Organic Formula

Track the sourcing.

Vendor, Certificate, Expiry
Item Attribute
Purchase Order Address
Restricted Products List

Explanation:

Box 1: Item Filter Code for Organic, Organic Formula

The organic chocolate line must be set up. The ingredients cannot be mixed with non-organic ingredients in inventory.

You can configure product filters and filter codes to categorize inventory items in a warehouse. You can also use filters to specify which customers can order a particular item and which items can be purchased from a particular vendor.

Additionally, you can set up and use product filters to automatically organize inventory items in a warehouse and combine filtered items into filter groups. Filters can be used to put items into categories for handling, purchasing, and selling

processes. You might want to group items together or separate them from each other when the way that they are handled is based on weight or handling restrictions. You can also specify which customers or vendors an item can be



purchased from or sold to.

Box 2: Item Attribute

Attributes provide a way to further describe a product and its characteristics through user-defined fields (such as Memory size, Hard disk capacity, Is Energy star compliant, and so on). Attributes can be associated with various Commerce

entities, such as product categories and channels, and default values can be set for them. Products then inherit the attributes and the default values when they are associated with the product categories or channels. The default values can be

overridden at the individual product level, at the channel level, or in a catalog.

Incorrect:

* A product is defined as a restricted product if the distribution of this product is limited or constrained by a government agency.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/warehousing/filters-and-filter-codes>

<https://docs.microsoft.com/en-us/dynamics365/commerce/attribute-attribute-groups-lifecycle>

QUESTION 4

A manufacturing company is implementing Dynamics 365 Supply Chain Management. The company uses a standard costing model to value inventory.

During the setup of the system, all areas that impact the standard cost of the item must be configured correctly to calculate a complete standard cost by using routing, Bill of materials (BOM) and overhead burden.

You need to verify that all areas of the system are correctly configured.

Which object does NOT impact the standard cost of manufactured items?

- A. item group
- B. cost groups
- C. cost categories
- D. BOM formula

Correct Answer: D

QUESTION 5

HOTSPOT

You need to configure each item for plastic manufacturing.

Which production types should you use? To answer, select the appropriate option in the answer area.



NOTE: Each correct selection is worth one point.

Hot Area:

Item	Production type
Raw plastic	<div><div></div><div>None</div><div>By-Product</div><div>Co-Product</div><div>Planning Item</div></div>
Excess plastic	<div><div></div><div>Scrap</div><div>By-Product</div><div>Co-Product</div><div>Planning Item</div></div>
Mold	<div><div></div><div>None</div><div>By-Product</div><div>Co-Product</div><div>Planning Item</div></div>
Plastic parts	<div><div></div><div>None</div><div>By-Product</div><div>Co-Product</div><div>Planning Item</div></div>

Correct Answer:



Item	Production type
Raw plastic	<div><div></div><div>None</div><div>By-Product</div><div>Co-Product</div><div>Planning Item</div></div>
Excess plastic	<div><div></div><div>Scrap</div><div>By-Product</div><div>Co-Product</div><div>Planning Item</div></div>
Mold	<div><div></div><div>None</div><div>By-Product</div><div>Co-Product</div><div>Planning Item</div></div>
Plastic parts	<div><div></div><div>None</div><div>By-Product</div><div>Co-Product</div><div>Planning Item</div></div>

QUESTION 6

A manufacturing company uses time and attendance in Dynamics 365 Supply Chain Management.

An employee discovers an error after a time and attendance record is approved and transferred. The payroll transfer has not been run. However, the time has been posted against the production order.

You need to reverse the transferred registrations.

What happens to the production order time posting?

A. The Production Report as Finished journal is posted.



- B. Transactions are offset and neutralized.
- C. Negative values are offset through manual posting.
- D. The production order is ended.

Correct Answer: B

Explanation:

Time and attendance, reversing transferred registrations

The task of reversing transactions

QUESTION 7

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 questions 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.

A company implements Dynamics 365 Supply Chain Management for their Lean manufacturing environment.

There has been an engineering change to a fixed quantity product that is in production. This change will add an additional processing step as the second step. The existing version must be phased out and replaced by the new version.

You need to ensure that the engineering change takes affect at the end of the month.

Solution:

1.
Edit the existing production flow and set the expiration date to the end of the month.
2.
Using the existing production flow, create a production flow and version. Set the expiration date to the end of the month. Create an activity for the new process step and add it in the proper sequence.
3.
Create a Kanban rule that uses the last day of the month as the effective date.
4.
Edit the existing Kanban rule. Set the expiration date to the end of the month. Set the new Kanban rule as the replacement Kanban rule.
5.
Activate the new production flow. Does the solution meet the goal?



A. Yes

B. No

Correct Answer: A

QUESTION 8

You need to configure production operations for the pine and orange scent solutions.

Which three actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

A. Use a purchase agreement as a service agreement.

B. Configure a costing resource and requirement to point to a Vendor type resource.

C. Configure the inventory policy for the item model group to set the value of the Stocked product option to Yes.

D. Allocate subcontracted work in its own cost breakdown block.

E. Configure the BOM line to be of type Vendor and associate the corresponding vendor account.

Correct Answer: BCE

Explanation:

Subcontracting of route operations

To use subcontracting of route operations for production or batch orders, the service product that is used for the procurement of the service must be defined as a product of the Service type. Additionally, it must have an item model group that

has the Stocked product option under Inventory policy set to Yes. This option defines whether a product is accounted as inventory on product receipt (Stocked product = Yes), or whether the product is expensed on a profit and loss account

(Stocked product = No). Although this behavior might seem contradictory, it's based on the fact that only products that have this policy will create inventory transactions that can be used in cost control to calculate planned cost and determine

the actual cost when a production order is ended.

To be considered in planning and cost calculation, the service must be added to the BOM. The BOM line must be of the Vendor type, and it must be allocated to the route operation that the service is allocated to. This route operation must

have a costing resource and resource requirement that point to a resource of the Vendor type that connects the operation and the related service to the corresponding vendor account.

Note:

There are two methods for modeling subcontracting work for production operations. These methods differ in the way that the subcontracting process can be modeled, the way that semi-finished products are represented in the process,



and

the way that cost control is managed.

*

Subcontracting of route operations in production orders or batch orders

The service product must be a stocked product, and it must be part of the BOM.

This method supports first in, first out (FIFO) or standard cost.

Semi-finished products are represented by the service product in the process.

Cost control allocates the costs that are associated with subcontracted work to the material costs.

*

Subcontracting of production flow activities in a lean production flow

Scenario: Liquid cleaning solutions:

No scent

Orange scent (subcontracted to a vendor named VendorA)

Pine scent (subcontracted to a vendor named VendorA)

You must set up production operations for sub-contracting of Pine scent and Orange scent solution to VendorA to ensure that a purchase order is automatically created based on estimation of a production order.

Reference:

<https://learn.microsoft.com/en-us/dynamics365/supply-chain/production-control/manage-subcontract-work-production>

QUESTION 9

You need to configure replenishment for the Street Kid YOLO bicycles.

Which configuration should you use?

- A. Coverage plan by dimension
- B. Master planning parameters
- C. Item coverage
- D. Default order settings
- E. Coverage group

Correct Answer: B

Explanation:



You can set up master planning to create planned orders for requisition demand. Set the Include requisitions option to Yes on the General FastTab of the Master plans page. Then, when the purpose of an approved requisition is

replenishment, master planning automatically creates a corresponding planned order to fulfill it. The replenishment method is determined by the supply policies that have been set up for the items in your organization. After the replenishment

requisition is created and approved, no additional user action is required.

Note: Bicycle models are measured and reported against how well a single model performs as a sum of all the variations of that model. For example, the Street Kid YOLO model sold 25,000 units in 2019 across all variations of the product,

but the Purple Female frame made up 30 percent of that model's sales.

The Street Kid YOLO models sell in different volumes depending on the market.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/master-planning-setup>

QUESTION 10

A glass bottle manufacturer uses route operations to schedule resources and track manufacturing costs.

The company has recently seen an increase in demand and purchases another resource. The company uses the same costs per resource. However, the new resource costs more to run. The company must be able to track cost contributions

for the new resource.

You need to create a cost category for the new resource.

Which three actions should you perform in sequence? To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

NOTE: Each correct selection is worth one point.

Select and Place:

**Actions**

Assign the surcharge node to the resource

Create a new cost category

Update the cost price on the existing cost categories

Create a new cost group

Assign the cost group for the indirect cost to the route operation

Assign the cost category to all route operations that use the new resource

**Answer Area**

Correct Answer:

Actions

Assign the surcharge node to the resource

Update the cost price on the existing cost categories

Assign the cost group for the indirect cost to the route operation

**Answer Area**

Create a new cost group

Create a new cost category

Assign the cost category to all route operations that use the new resource

QUESTION 11**SIMULATION**

You are a functional consultant for Contoso Entertainment System USA (USMF).

USMF plans to categorize a new night shift in its factory.

You need to create a new cost category named NightShift for the night shift.

To complete this task, sign in to Dynamics 365 portal.



Correct Answer:

1.

Go to Organization Administration > Categories > Shared Categories.

2.

Click New to create a new shared category.

3.

Give the shared category an ID and a name (NightShift).

4.

Select the Can be used in Production checkbox and close the window.

5.

Back in Organization Administration > Categories, click on Categories.

6.

Click New to create a new category.

7.

Select the Category ID from the shared category.

8.

The category will inherit the ID and name (Nightshift) from the shared category.

9.

Click Close to close the window.

QUESTION 12

A company uses Process manufacturing for most products and Discreet manufacturing for other products. The company is creating a formula for a new product. The new item will be used to make a name brand product and two generic brand products.

This item has the following requirements:

1.

Production of the name brand and generic products must use the same formula.

2.

The company must produce all three items at the same time.



You need to create a produced item that can make two generic items and one main item.

How should you set up the item?

- A. Create the name brand product as the main product and use a formula production type. Create the two generic items as a formula planning production type planning items. Copy the formula from the name brand item into each of the generic items.
- B. Create the name brand product as the main product and use a formula production type. Create the two generic products as co-products as part of the formula for the name brand product.
- C. Create the name brand item as a Bills of material production type item. Create the two generic items as a sub-assembly on the Bills of material for the name brand product.
- D. Create the name brand item as a Bills of material production type item. Add the two generic items on the Bills of material for the name brand product and use line type phantom.

Correct Answer: B

QUESTION 13

A customer produces light projection toys for holiday decorations throughout the year. Vendors have negotiated rebate agreements as a condition of their contract. The contract also contains the visual templates required for the customer to use in a season.

Vendor rebate agreements must only be applied if the following requirements are met:

1.

Units of measure for deliverables are the same unit of measure as on the agreement.

2.

The agreement is valid as of the date a purchase order is generated.

You need to configure the vendor rebate agreements.

What should you do?

- A. Set the Calculation date type field value to Created
- B. Set the Cumulative purchase by field value to the end of the season date
- C. Set the Rebate line break type field value to Quantity
- D. Set the Cumulative purchase by field value to the beginning of the season date

Correct Answer: A

References: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/procurement/vendor-rebates>

QUESTION 14



A company produces homeopathic lotions for pain relief and uses Dynamics 365 Supply Chain Management. You have replaced the vendor of a product's active ingredient with a new vendor. The new vendor is supplying the ingredient at a

higher concentration of 25 percent.

The previous vendor concentration was 15 percent. You are consistently running out of two of the complimentary ingredients.

You need to update the formula and ingredient settings to allow for better order planning.

What should you do?

- A. Modify the factor value of the compensation principle
- B. Modify the minimum and maximum value of the attribute for the active ingredient
- C. Modify the target value of the attribute for the compensating ingredients
- D. Modify the target value of the attribute for the active ingredient

Correct Answer: A

QUESTION 15

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.

A company implements Dynamics 365 Supply Chain Management and configures the system to support process manufacturing.

The company manufactures pain-relieving lotions. Several of the primary ingredients are delivered at different concentrations depending on the ingredient and vendor. IngredientA is the primary active ingredient in the lotion. IngredientB is

used as a compensating ingredient.

You need to ensure that the system is set up to support the manufacturing process.

Solution: Create a formula version for each concentration level.

Does the solution meet the goal?

- A. Yes
- B. No

Correct Answer: B

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/production-control/batch-balancing>