



Oracle

Exam 1z0-511

Oracle E-Business Suite R12 Project Essentials Exam

Version: 6.0

[Total Questions: 70]

Question No : 1

Your customer has set up a contract project with a distribution rule Work/Work. Identify three setup options to:

- ✍ Charge labor transactions revenue and all other non labor transactions revenue to separate accounts
- ✍ Generate separate invoice line amounts for labor and non labor transactions

- A. Setup revenue categories as required.
- B. Define revenue accounts at the revenue category setup level.
- C. Define Auto Accounting rules to derive revenue account based on revenue category.
- D. Define grouping option by revenue category on the invoice format and attach the invoice format at the project type level.
- E. Define grouping option by revenue category on the project type.

Answer: A,C,D

Explanation:

Note:

Revenue and Billing Information

When you enter revenue information for your project, you specify a revenue distribution rule for the revenue accrual method and the billing method for this project. When you enter billing information, you specify invoice formats, bill cycle days, and other invoicing information.

The project type determines which revenue distribution rule appears as the default value for this field, and which other revenue distribution rules you can choose from. Oracle Projects predefines the following revenue distribution rules:

Cost/Cost Accrue revenue and bill using the ratio of actual cost to budgeted cost (percent spent).

Cost/Event Accrue revenue using the ratio of actual cost to budgeted cost (percent spent), and bill based on events.

Cost/Work Accrue revenue using the ratio of actual cost to budgeted cost (percent spent), and bill as work occurs.

Event/Event Accrue revenue and bill based on events.

Event/Work Accrue revenue based on events, and bill as work occurs.

Work/Event Accrue revenue as work occurs, and bill based on events.

Work/Work Accrue revenue and bill as work occurs.

Question No : 2

Identify two predefined transaction sources that Oracle Projects uses to import the transactions generated within Oracle Projects.

- A. Oracle Interproject Supplier Invoices
- B. Oracle Projects Intercompany Supplier Invoices
- C. Project Allocations
- D. Capitalized Interest
- E. Oracle Interprojed Customer Invoices

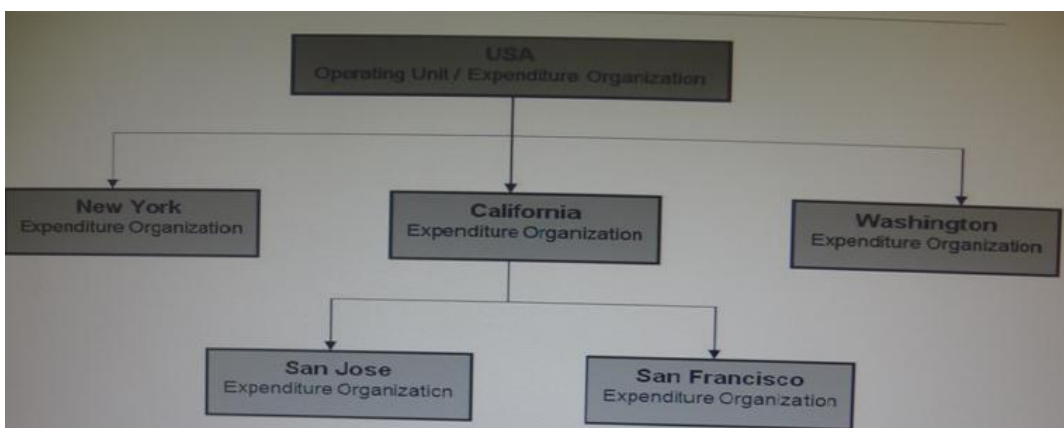
Answer: C,D

Explanation: Oracle Projects uses predefined transaction sources to import project allocations and capitalized interest transactions that it generates internally.

Reference:Oracle Projects Implementation Guide,Transaction Sources

Question No : 3

Refer to the exhibit.



In your company's Expenditure/Event Organization Hierarchy, organization labor costing rules are assigned to all organizations except San Jose. What happens when you run the

"PRC: Distribute labor costs" program for a timecard transaction entered by an employee from the San Jose organization?

- A. The rule assigned for San Francisco takes precedence and the transaction will be successfully distributed.
- B. The rule assigned for USA takes precedence and the transaction will be successfully cost distributed.
- C. The rule assigned for California takes precedence and the transaction will be successfully cost distributed.
- D. The program ignores this transaction, because no labor costing rule is assigned for San Jose and completes normally.
- E. The program completes normally. However, the output will have this transaction under the exceptions section with a message "No Labor costing rule assigned for organization."

Answer: C

Question No : 4

Which two options are not task attributes for financial task structure?

- A. Task Type
- B. Service Type
- C. Work Type
- D. Chargeable Flag
- E. Scheduled Dates

Answer: B,D

Explanation:

Incorrect:

Not A: Task types assign default attributes to tasks and control how Oracle Projects processes tasks. Task types specify basic task attributes.

Not C: Work types represent a classification of work. You use work types to classify both actual and scheduled work.

Not E: Oracle Projects uses start and finish dates to control processing, indicate estimated and scheduled duration, and serve as tools to evaluate project performance.

The start and finish dates at the project level are:

Actual: Actual dates when work on the project started and finished. You can use these

dates to drive future timecard and earned value functionality.

(not E) Scheduled: Scheduled start and finish dates for the project.

Target: The expected lifespan of the project.

Estimated: A task manager's estimate of when work on the project will be started and finished.

Baseline: The baselined schedule

Question No : 5

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

Answer: D

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

Question No : 6

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 Auto Accounting 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.

Answer: A,B

Explanation: 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 No : 7

What type of project will a company require to use Organization Forecasting?

- A. contract project
- B. Administration Project
- C. Organization Planning Project
- D. capital project
- E. multi-function project

Answer: A

Explanation:

Note:

*Compute Forecast Labor Revenue

This process calculates the potential revenue of labor expenditure items based on established bill rates and markups. The expenditure items that the process selects are billable labor expenditure items charged to contract projects that have not yet been processed by the Generate Draft Revenue process. The items do not have to be approved to be processed for forecast revenue.

Question No : 8

An organization uses Oracle Projects and has fully installed Oracle Human Resources. Which statement does not apply to this scenario?

- A. Employees can be entered and maintained in Oracle Projects.
- B. Jobs can be setup in Oracle Projects.
- C. Organizations can be defined in Oracle Projects.
- D. Organization Hierarchies can be defined in Oracle Projects.
- E. Worker Assignments can be viewed in Oracle Projects.

Answer: D

Explanation:

Note:

*Oracle Projects fully integrates with Oracle Human Resources to keep track of employees and information relevant to them, such as bill rates and mailing address.

Question No : 9

Identify the four different levels where transaction controls are defined.

- A. Expenditure Categories
- B. Expenditure Organization
- C. Employee
- D. Project Organization
- E. Expenditure Type
- F. Person Type

Answer: A,C,D,E

Explanation: You can configure transaction controls by the following:

- (A) Expenditure Category
- (C) Employee
- (E) Expenditure Type

Non-Labor Resource

Question No : 10

Your client has expressed a desire to produce and summarize invoice lines for Non-Labor transactions by type of expenditure based on high level tasks of the project.

Which invoice formal grouping should he used to achieve this?

- A. TopTask,ExpenditureType
- B. TopTask,Employee
- C. Revenue Category,Expenditure Category, Top Task
- D. TopTask,Expenditure Category
- E. TopTask, Revenue Category, Expenditure Category,Expenditure Type

Answer: A

Explanation:

Note:

*Oracle Projects processes tasks based on their position in the structure. The three distinct positions are:

Top Task: A task whose parent is the project

Mid Task: A task that is not a top task or a lowest task

Lowest Task: A task that is at the bottom of the structure, without any child tasks

*You can configure transaction controls by the following:

Expenditure Category
Employee
Expenditure Type
Non-Labor Resource

Question No : 11

Which three types of People Resources does Oracle Projects support?

- A. Team Roles
- B. Straight Time
- C. Jobs
- D. Item
- E. Named Person

Answer: A,C,E

Explanation:

Note:

*People resources represent named persons or any grouping of named persons(E)by attributes such as job(C), organization, or role(A), whose time (effort) capacity is consumed to complete the project work. Example: Amy Marlin

Question No : 12

Identify three adjustment actions that require submission of Distribute costs program to process the adjustments?

- A. Change Comment
- B. Release Hold
- C. Split
- D. Transfer
- E. Recalculate Revenue
- F. Capitalizable to Non-Capitalizable

Answer: C,D,F

Explanation: After you have performed the adjustment actions, you need to run the appropriate processes to process the adjustments.

The table below notes what processes to run to process each adjustment action.

Adjustment Action	Distribute Costs	Generate Draft Revenue	Generate Draft Invoice
Correct Approved Expenditure Item	✓	✓	✓
Billable to Non-Billable	✓	✓	✓
Non-Billable to Billable	✓	✓	✓
Capitalizable to Non-Capitalizable	✓		
Non-Capitalizable to Capitalizable	✓		
Billing Hold			✓
One-Time Hold			✓
Release Hold			✓
Recalculate Burden Cost	✓	✓	✓
Recalculate Raw Cost	✓	✓	✓
Recalculate Revenue		✓	✓
Recalculate Cost/Revenue	✓	✓	✓
Change Comment			
Split	✓	✓	✓
Transfer	✓	✓	✓

Question No : 13

A customer has gone into bankruptcy and is unable to pay their bills. This means that the project revenue is now overstated. How can the customer reduce the revenue on the project to accurately reflect the amount of collectable revenue?

- A. Create a revenue write-off event for the uncollectable element and interface to General Ledger.
- B. Create a negative funding line and assign to the project thus reducing its revenue.
- C. Create a cost adjustment on the project using preapproved batches.
- D. Create a credit memo in Oracle Projects and interface to Accounts Receivable.
- E. Enter a transaction control against the expenditure types and regenerate the draft invoice.

Answer: A

Question No : 14

What must be defined to enable a company to use an organization for a straight time

expenditure?

A. Define the organization with the Following:

1. Add Cost Centres as the Organization type.
2. Add an organization classification of HR Organization.
3. Add the organization to an organization hierarchy.

B. Define the organization with the Following:

1. Add the organization classifications HR Organization and Project Expenditure/Event
2. Add the organization to an organization hierarchy
3. Add the organization hierarchy to the appropriate Oracle project implementation option setting

C. Define the organization with the following:

1. Add the organization classifications Project/Task Owning Organization and Project Expenditure/Event Organization.
2. Add the organization to an organization hierarchy.
3. Add the organization hierarchy to the appropriate Oracle project implementation option setting.

D. Define the organization with the following:

1. Add the organization classifications Project Expenditure/Event Organization.
2. Add the organization to an organization hierarchy.
3. Add the organization hierarchy to the appropriate Oracle project implementation option setting.

E. Define the organization with the Following:

1. Add the organization classifications HR Organization and Project Expenditure/Event
2. Add the organization to an organization hierarchy.
3. Define Organization Labor Costing Rules.

Answer: E

Explanation:

Note:

*You can set this at the Inventory Organization level in the Project Manufacturing Parameters window, the Costing tabbed region. This allows WIP employee resources and Project straight time hours to be summarized as Straight Time Expenditure Type Class.

*expenditure type class

An additional classification for expenditure types that indicates how Oracle Projects processes the expenditure types. For example, if you run the Distribute Labor Costs process, Oracle Projects will calculate the cost of all expenditure items assigned to the Straight Time expenditure type class. Formerly known as system linkage

Question No : 15

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.

Answer: B,C,D

Explanation: 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.

Reference:Oracle Project Costing User Guide,Cross Charge

Question No : 16

A project is undertaken for a customer where all labor costs are non-billable, and Non-Labor costs are billable if the accumulated costs incurred are greater than \$10k.

How can Oracle Projects be implemented to support this?

- A. Use transaction controls to restrict billing to Non-Labor elements and to calculate the bill amounts on Non-Labor.
- B. Use transaction controls to billing Non-Labor elements, capture the value on the project, and then use the Non-Labor billing extension to calculate when an activity is billable.
- C. Create an agreement and funding for \$10k only, and fund only those tasks on a project where you estimate to incur costs of \$10k or more.
- D. Use the cost-to-cost billing extension to build billing rules to meet the requirement.
- E. Use the cost accrual extension.

Answer: B

Question No : 17

An organization posts project costs to the balance sheet as they are incurred. Each month they recognize project revenue on each project.

Select the option that ensures that costs are credited from the balance sheet and debited to profit and loss as revenue is recognized.

- A. Use events for project revenue and use GL journals to carry out the relevant account postings.
- B. Implement a project revenue extension with appropriate event types and AutoAccounting definition.
- C. Use miscellaneous transactions to generate revenue with the appropriate AutoAccounting definition.
- D. Use preapproved batches with a class type of "Work in Process" to generate revenue with the appropriate AutoAccounting definition.

Answer: B

Question No : 18

Company ABC wants to deploy workplan task structures where the lowest tasks represent deliverables. They want to collect costs at a level higher than the lowest tasks for groups of deliverables. Which two task structure relationships are available for them to consider?

- A. Define the structures as Fully Shared.
- B. Utilize Task-based mapping structures.
- C. Define a separate branch of task hierarchy for deliverables.
- D. Define a separate branch of task hierarchy for cost collection.
- E. Define the structures as Partially shared.

Answer: B,C

Explanation:

Note:

*You can set up two types of project structures in Oracle Projects:

/Workplan structures consist of tasks that help project managers and team members plan, track, and deliver projects on time.

/Financial structures consist of tasks that help project managers and financial administrators track billing, costs, budgets, and other financial information for individual projects.

*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 No : 19

A US-based company is providing resources to a UK subsidiary and has implemented Oracle Projects intercompany billing solutions. How would the US company create the Accounts Payable invoice in the UK operating unit?

- A. when the draft intercompany invoice is approved in the US Projects ledger
- B. when the draft intercompany revenue is approved in the US Projects ledger
- C. Invoice automatically created as part of the PRC: Tieback Invoices from Receivables in the US Project ledger
- D. when the draft intercompany invoice is released in the US Projects Ledger
- E. on creation of the Intercompany revenue in the US General Ledger

Answer: C

Explanation: The provider operating unit runs the process PRC: Tieback Invoices from Receivables, which automatically creates corresponding intercompany invoice supplier invoices ready to be interfaced to Oracle Payables in the receiver operating unit.

Note:

See step 6 below.

Intercompany Billing Processing Flow Intercompany billing processing requires the following steps:

- ✍ The provider operating unit enters or imports cross charge transactions.
- ✍ The provider operating unit distributes costs of the cross charges, which are identified as cross charge transactions by the cost distribution processes. The distribution of the costs is independent of revenue generation and are distributed even if revenue has not been generated.

The provider operating unit also imports project-related supplier costs from Oracle Purchasing and Oracle Payables and project-related expense report costs from Oracle Payables.

- ✍ The provider operating unit runs the process PRC: Generate Intercompany Invoices for a Single Project, or the process PRC: Generate Intercompany Invoices for a Range of Projects, to generate draft intercompany invoices with the associated intercompany receivable and revenue accounts, and the transfer price.
- ✍ The provider operating unit reviews, approves, and releases the intercompany invoices.
- ✍ The provider operating unit interfaces the approved intercompany invoices to Oracle Receivables. You can include the following activities in this process:
- ✍ The provider operating unit runs the process PRC: Tieback Invoices from Receivables, which automatically creates corresponding intercompany invoice supplier invoices ready to be interfaced to Oracle Payables in the receiver operating unit.

Use Oracle Receivables to print the invoice as well as to create accounting for Oracle Subledger Accounting.

- ✍ If cost reclassification is enabled, the provider operating unit performs the following processing steps:
- ✍ The receiver operating unit imports the intercompany supplier invoices into Oracle Payables. This import process calculates recoverable and non-recoverable tax amounts. Upon review and approval in Oracle Payables, the receiver operating unit runs the process Create Accounting to create subledger accounting entries for the supplier invoices in Oracle Subledger Accounting. When you run the process in final mode, you can optionally choose to transfer the accounting to Oracle General Ledger.
- ✍ The receiver operating unit interfaces the supplier invoice to Oracle Projects, which pulls in the non-recoverable tax amounts as additional project costs.
- ✍ (Optional) You can require the receiver operating unit to run additional customized processes to create additional accounting entries in Oracle Subledger Ac

Reference: Oracle Project Costing User Guide, Cross Charge

Question No : 20

You have defined a Non-Labor resource "Mini Truck" with an expenditure type "Vehicle" that has a rate of \$100. This resource is attached to three Non-Labor resource organizations: "Construction-East," "Construction-West," and "Construction-Central."

How do you set up a rate of \$150 for usage charges when the "Mini Truck" owned by "Construction-Central" is charged to a project?

- A. In the Project setup, enter a rate of \$150 for "Construction-Central" in the organization overrides.
- B. In the Non-Labor resources setup, select the "Construction-Central" organization and enter a rate of \$150.
- C. Create a new rate schedule with a rate of \$150 for "Mini Truck" and attach it to the project.
- D. Create a new rate schedule with a rate of \$150 for "Mini Truck" and attach it to "Construction-Central."
- E. Write custom code in Non-Labor cost override extension.

Answer: D

Question No : 21

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.

Answer: C