

**Free Questions for 1Z0-511**

**Shared by Castro on 04-10-2024**

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# Question 1

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**Question Type:** MultipleChoice

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A company generates revenue at period end, but bills monthly in advance. The customer is invoiced in April with project starting in May and the first project is due to be recognized at the end of May. What are the accounting entries at the end of May?

## Options:

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**A-** Debit: Cost of Goods Sold

Credit: Unbilled Receivables

**B-** Debit: Unearned Revenue

Credit: Revenue

**C-** Debit: Receivable

Credit: Bank

**D-** Debit: Receivable

Credit: Unearned Revenue

**E-** Debit: Bank

Credit: Revenue

## Answer:

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D

### **Explanation:**

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Invoice

When you run the program to interface invoices to Oracle Receivables, Oracle Projects runs AutoAccounting to determine the appropriate default accounts. If the invoice fails AutoAccounting, then the program marks the draft invoice with an error. See: Overview of AutoAccounting, Oracle Projects Implementation Guide.

The following table shows entries Oracle Projects creates when the Interface Invoices to Oracle Receivables process is run:

Account Debit Credit

Receivables 200.00

Unbilled Receivables and/or Unearned Revenue 200.00

Oracle Project Billing User Guide

## **Question 2**

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**Question Type:** MultipleChoice

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A contractor is engaged to carry out a statement of work by a customer. The contract is fixed price, and milestone payments will be made based on the individual completion of agreed deliverables. The contract specifies that 10% of any invoice totals must be withheld. The exception to this rule is that if certain deliverables are met ahead of the agreed schedule, then the full amount can be invoiced. How would this scenario be set up in Oracle Projects?

### Options:

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- A-** Customer Retention Billing is implemented with a Withholding Term of Expenditure Category.
- B-** 10% of project costs is set with a billing hold (as required) in Expenditure Inquiry.
- C-** A task is used to collect costs that are to be withholding and the task is set to non-billable as required.
- D-** Customer Retention Billing is implemented with a Withholding Term based on Event Types.
- E-** A customer bill split is implemented to send 10% of all invoiced costs to a dummy customer.

### Answer:

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A

### Explanation:

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\* Defining Retention Terms

Retention Terms determine how amounts are withheld from project invoices and how the withheld amounts are billed to the project customer. Retention terms include:

Withholding Terms

Withholding Terms by Expenditure Category

Withholding Terms by Event Revenue Category

Billing Terms

\* Withholding Terms

These terms apply to all sources of project invoice amounts for the specified project or top task. For each term, you can define a withholding percentage or amount. Optionally, a threshold amount can be defined to determine the maximum amount to be withheld per term.

## Question 3

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**Question Type: MultipleChoice**

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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?

### **Options:**

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

### **Answer:**

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A, B, D

### **Explanation:**

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#### 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 4

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### Question Type: MultipleChoice

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An organization wants to consolidate work based billing across multiple projects (produce one invoice for a single customer based on multiple contract projects). Which two methods will help them accomplish this?

#### Options:

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- A-** Create draft Invoices against individual projects, and consolidate them in Receivables.
- B-** Create a program. All costs will roll up to the program level and the program can be billed.
- C-** Run the invoice consolidation concurrent request to produce a single invoice.
- D-** Carry out billing against top tasks across any projects with the same Service Type.
- E-** Use inter-project billing so that individual contract projects invoice a single project which, in turn, bills the customer.

**Answer:**

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A, C

**Explanation:**

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C: Consolidated Invoicing allows you to consolidate multiple project invoices into one single invoice.

## Question 5

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**Question Type: MultipleChoice**

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A company generates revenue at period end, but bills monthly in arrears. The first project revenue is due to be recognized at the end of May and the first invoice sent to the customer in June. What are the accounting entries at the end of May?

**Options:**

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**A-** Debit: Cost of Goods Sold

Credit: Unbilled Receivables

**B-** Debit: Bank



Credit: Revenue

**C-** Debit: Unearned Revenue

Credit: Revenue

**D-** Debit: Revenue

Credit: Accounts Payable Liability Account

**E-** Debit: Unbilled Receivables

Credit: Revenue

**Answer:**

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E

**Explanation:**

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Revenue

Once revenue is created, Oracle Projects runs AutoAccounting to determine the appropriate default accounts. AutoAccounting selects all of the AutoAccounting parameters for each item or event, determines the account coding, validates the account coding against the general ledger, and updates each revenue distribution line with the appropriate default account.

Account Debit Credit

Unbilled Receivables and/or Unearned Revenue 200.00

Revenue 200.00

## Question 6

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**Question Type:** MultipleChoice

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A project has two customer billing elements. One part of the project is based on a fixed fee and the other part is a variable based on a cost plus basis. The customer requires separate invoices for fixed fee elements and variable works elements. How can agreements be used to provide separate invoices?

### Options:

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- A-** Create each element as a top task and implement top task billing for the project.
- B-** Create each element as a top task on the project and create an agreement for variable works and one for fixed fee. Then fund the project at the top task level.
- C-** Have one agreement and create an invoice grouping rule in Accounts Receivable.
- D-** Create one agreement and fund the project.
- E-** Use billing events and create separate events per purchase order.

### Answer:

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B

### **Explanation:**

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#### One Customer, Multiple Agreements

Use multiple agreements when you have one customer, but a requirement to create a separate invoice for each top task.

You can use this method to accrue revenue cost-to-cost or impose hard or soft revenue limits by task, as well as automatically create separate invoices by task.

To create separate invoices by task, you must use a different agreement to fund each task. If you use more than one agreement for a single task, the agreements are used according to the precedence described earlier for projects.

## **Question 7**

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### **Question Type: MultipleChoice**

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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?

### **Options:**

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- 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.'

### **Answer:**

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D

### **Explanation:**

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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.

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