

SAP FICO Interview Questions

Definition of Spool and Output Requests

Spool request: A spool request is a document for which a print function has been selected. However, it has not yet been output to a printer or another device. The output data for the print document is stored partly formatted in a data store until an output request is created, that is, until it is sent to a particular output device. The spool system uses a spool request to store the print data temporarily and to access it. The data is stored in a temporary format. You can also display the print document.

The system automatically assigns a 10-digit ID number to a spool request.

Output request: From the point of view of the SAP spool system, an **output request** outputs the print data of a spool request to a particular output device. Multiple output requests may exist for a single spool request. Each represents an instance of the output of the same spool request. Each of these output requests may have different attributes, such as the target printer or number of copies.

By differentiating between spool request and output requests, the spool system provides a means of storing the data temporarily.

Where are the Spool request Stored?

Spool requests are stored in the standard R/3 "global" directory: /usr/sap/C11/SYS/global/ (UNIX systems).

Name conventions is RPP06223.ARCHIVE

RPP99999.ARCHIVE

99999 refers to the R/3 generated spool numbers.

SAP – FI Technical Interview Questions

1. Tell me about FI Organizational structure?

Ans: Client

|

Operating Concern

|

Controlling area1 Controlling Area 2

|

Co. Code 1 Co. Code 2

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Bus area 1 Bus area2 Bus Area3 Bus Area 4

2. How many Normal and Special periods will be there in fiscal year, why do u use special periods?

Ans: 12 Normal posting period and 4 special periods are in the fiscal year which can be used for posting tax and audit adjustments to a closed fiscal year.

3. Where do you open and close periods?

Ans: PPV is used to open and close the periods based on a/c types considering GL Accounts. Tr. Code. OB52.

4. What do you enter in Company code Global settings?

Ans: 4 digit Alphanumeric key.

⇒Name of the company

⇒City

⇒Country

⇒Currency

⇒Language

⇒Address

5. What is document type, and what does it control? Examples.

Ans: Document type is nothing vouchers containing line items. Several business transactions can be identified within a particular document type.

It controls the document number ranges.

It controls the Header part of document

IT controls the line item level of the document

Helps filing of physical document

6. What is posting key and what does it control?

Ans: These are special classification keys. Two character numerical key it controls the entry of line items.

Posting key determines Account type, Debit/credit posting, Field status of transaction.

7. What is field status group, what does it control?

Ans: FSG is mandatory field in ! GL Creation. You use this field to define which fields are displayed when you post business transactions to a G/L account.

A field may have one of the following statuses.

⇒Suppressed

⇒Display

⇒Optional

⇒Required

8. What is chart of account and how many charts of accounts can be assigned to a company?

Ans: Chart of account is a list of all G/L accounts used by one or several company codes.

For each G/L account, the chart of accounts contains the account number, account name, and the information that controls how an account functions and how a G/L account is created in a Company code.

You have to assign a chart of accounts to each company code. This chart of accounts is the Operating chart of accounts and is used for the daily postings in this company code.

You have the following options when using multiple company codes.

You can use the same chart of accounts for all company codes

If the company codes all have the same requirements for the chart of accounts set up, assign all of the individual company codes to the same chart of accounts. This could be the case if all company codes are in the same country.

In addition to the operating chart of accounts, you can use two additional charts of accounts. If the individual company codes need different charts of accounts, you can assign up to two charts of accounts in addition to the operating chart of accounts. This could be the case if company codes lie in multiple countries.

The use of different charts of accounts has no effect on the balance sheet and profit and loss statement. When creating the balance sheet or the profit and loss statement, you can choose whether to balance the company codes which use different charts of accounts together or separately.

9. What does definition of a chart of account contains?

Ans: chart of account key

⇒Name

⇒Maintenance language

⇒Length of the GL Account Number

⇒Controlling Integration

⇒Group chart of accounts (Consolidation)

⇒Block Indicator

10. Can one COA be assigned to several companies?

Ans: yes. One COA can be assigned to several companies.

11) What is account group and what does it control?

Ans: Account group determines which fields you can configure on the G/L master record. It is necessary to have at least two one for B/S and another one for P&L a/c.

It controls the Number ranges of GL A/C.

The status of fields of the master record of GL belongs to company code area.

12) What is reconciliation account; can you directly enter documents in that a/c?

Ans: When you post items to a subsidiary ledger, the system automatically posts the same data to the general ledger. Each subsidiary ledger has one or more reconciliation accounts in the general ledger.

We can't use reconciliation account for direct postings.

13) How do you control field status of GL master records and from where do you control!

Ans: Field status variant is maintained all FSGs.

14) What are the segments of GL master record?

Ans:

⇒ COA Segment

A/C group

Nature of account

Short text

GL a/c long text

Trading partner

Group Account Number

⇒Company code segment

Account currency

Tax

Reconciliation a/c for a/c type
OIM,LID,FSG.

15) What does Field status group assigned to a GL master record controls?

Ans: It controls the account assignments that are made to the account. Specifically the field status group controls whether postings to cost centers, internal orders, profitability segments and so on are required, not allowed (suppressed), or optional.

16) What is Country and operational chart of account? Why do you use group chart of account?

Ans: Operational chart of account – Day to day activities It is mandatory. Country COA – It's used for legal specific requirement of each country. It's additional and optional.

Group COA used for consolidation of Company codes. This is for group consolidation purpose.

17) What are all the segments in a Customer/Vendor master record?

Ans: Segments in Customer Segments in Vendor

⇒General Data segment General data segment

⇒ Company code segment Company code segment

⇒Sales area segment Purchasing organization Segment

18) What is open line item management? What do you mean by clearing open line items?

Ans: Open item management is further reconciliation function. OIM allows you to display the open and cleared items and amounts in an account. OIM should be used if an offsetting entry is made for every line item posted in the account. The a/c is reconciled and cleared against another account. Ex. Salary clearing account and GR/IR Clearing account.

19) What is residual payment and part payment?

Ans: Residual payment it clears original invoice with incoming amount and create new line item for remaining outstanding amount.

Partial payment it leaves the original invoice amount and creates new line item for incoming amount.

20) What is internal and external number ranges?

Ans: Internal Number Ranges: Doc. No will be provided by the system automatically in serial order allotting the next available progressive number. The number must be in numerical.

External Number ranges: Doc. No will be given manually by the end user. System will not lock no automatically in this case. User can pick the number randomly. Number may be an alpha numeric.

SAP FI Technical Interview Questions

1. How can be or in what way baseline date is important in Automatic Payment Program run?

The Baseline date is used to calculate the due date by taking into account the payment terms. On the APP, the baseline date helps to pick the relevant invoices for payment. During the APP run when invoices are pulled into the run, the system checks the 'Next Payment Date' before picking the invoices to be paid.

2. Please tell me the procurement cycle how it works?

Procurement cycle – a sales order is placed on a requirement made by a customer, after which it is passed on to create a purchase order (this could either happen based on the requirements on the SO, or a planned SO).

the value flow gets passed on to FI at the time of goods movement. In the case of SD, the impact on FI happens only at the time of billing.

3. Difference between Depreciation ,Accumulated Depreciation and APC? What is APC?

Depreciation – a decrease in the value of an asset due to wear and tear

Accumulated Depreciation – the total amount of depreciation calculated on a particular asset.

APC – refers to Asset transactions other than depreciation

4. What is GR/IR?What journal entries we should pass for this?

The GR/IR – the goods receipt/Invoice Receipt account is used to post to whenever goods that are not yet invoiced have been received or when invoices arrive b4 the the delivery of goods.

During the time between the invoice being created and delivery of goods, there can be a timing difference, in order to accommodate this timing difference, a GR/IR account is maintained temporarily to record the flow .

5. What are the accounting entries take place in MM and SD?

Value from MM to FI is defined in OBYC.... on the material master the flow of values are assigned on the Costing, acctg, etc tabs where the system helps to post the necessary stock values into the appropriate GL accounts. helps to determine, the GL accounts updated when there is a movement of goods.

SD-FI – VKOA

6. Can we assign one Controlling area to two different Company Codes (but the company codes having differentfiscal years/different currencies

Company code should have same financial year, may have different currencies.

You can assign 2 or more company codes to one controlling area as long as the chart of accounts are same. Furthermore, if you have different fiscal year variant in the company code, then make sure that the number of period remain the same.

7. While posting transaction, can we give cost centre / production order at time.

Yes it is posiiable , but in such situation cost centre will be real and production order is stactical.

If you assign both cost center and Prd Order then since Prod. Order are real co object, Cost center entry would be statistical.

8. Which Master data uploads will be done?

The question is not very clear. If you are talking about CO Master data. Then Cost center need to be uploaded. You can use Data Transfer Workbench or write abap for it.

9. Can we run Payment Programme giving (Hdfc vendor details) City bank in Payment run programme?

Yes can be possible , this can resolved through ranking order and bank optimization in FBZP.

You use use further selection in proposal parameter, if you would like to filter the open item based on the city

10. What does document header control?

Field status.

11. After entering a document can you delete the entry? Can you change the document? Which fields' can/not is changed?

Document header cannot be changed, after posting the document you cannot change. only if you want to change the document the reversal entry.

12. What is a special GL transaction?

The transaction other than A/P and A/R is called the special g/l transaction for ex: Bills of exchange, Interest payable , acquisition

13. How do you reverse cleared documents?

By doing reversal posting.

14. What is base line date? Why is that used? Can this be changed?

For payment terms it is used. base line date is the due date.

15. How many statistical objects can be selected in when you post an FI document? Where Cctr, Pctr, OM are active?

Only two or Any Two

House Banking Interview Questions

1. You have four house banks. The end user has to use the third bank (rank order) only for check payments. Can you make payments through the third house bank? If so, how is it possible?

Customize the priority as 1 for the third house bank. Otherwise, while posting the invoice, you can specify the house bank from which you intend to make the payment.

2. Explain briefly how you can import electronic bank statements into SAP.

A text file is received from the bank which is then uploaded into the SAP system. The file contains details of the company's bank movements e.g. cheques, bank interest, bank charges, cash receipts etc. Depending on the system configuration SAP will attempt to book these transactions automatically to the correct accounts to avoid the need for manual entries by SAP users. Any postings which the system cannot derive automatically can be booked through "post-processing"

3.How is Bank Reconciliation handled in SAP?

The bank reco typically follows the below procedure:

First, the payment made to a Vendor is posted to an interim bank clearing account. Subsequently, while performing reconciliation, an entry is posted to the Main Bank account. You can do bank reconciliation either manually or electronically.

4.How do you configure check deposit?

The following are the steps for configuring check deposit:-

- Step1: Create account symbols for the main bank and incoming check account.
- Step2: Assign accounts to account symbols
- Step3: Create keys for posting rules
- Step4: Define posting rules
- Step5: Create business transactions and assign posting rule
- Step6: Define variant for check deposit

5.What is the clearing basis for check deposit?

In the variant for check deposit we need to set up the following

- a) fields document number (which is the invoice number),
- b) amount
- c) Short description of the customer.

The document number and the invoice amount acts as the clearing basis.

6.How do you configure manual bank statement?

The following are the steps for configuring manual bank statement:-

- Step1: Create account symbols for the main bank and the sub accounts
- Step2: Assign accounts to account symbols
- Step3: Create keys for posting rules
- Step4: Define posting rules
- Step5: Create business transaction and assign posting rule
- Step6: Define variant for Manual Bank statement

7.How do you configure Electronic bank statement?

The steps for Electronic Bank Statement are the same except for couple of more additional steps which you will see down below

Step1: Create account symbols for the main bank and the sub accounts

Step2: Assign accounts to account symbols

Step3: Create keys for posting rules

Step4: Define posting rules

Step5: Create transaction type

Step6: Assign external transaction type to posting rules

Step7: Assign Bank accounts to Transaction types

8.What is a house bank? What information does it contain?

A house bank refers to the bank a company uses for receivables and/or payments. It is any bank with which your company code does business. Each house bank contains a company's bank accounts. It also contains a bank key that defines address and control data for the bank. The house bank establishes a link between the various G/L cash accounts and the actual bank accounts.

9. How does data enter the bank directory?

Automatically, if master data exists for the Bank Directory on tape or disk.). Data can also be manually entered when creating a customer or vendor master record, a one-time account, or by directly creating an account.

10.What is the relationship between a bank account and a G/L account master record?

A G/L account master record must be created for each bank account. The house bank and account ID must be entered in the GL account master record to ensure the accounting transactions involving the bank account will be reflected in the general ledger.

11.Where are bank master records created in SAP?

Unlike customer, and vendor master records, the bank master records may be maintained on the configuration side in SAP. They are also created on the application side in the Banking and Treasury sections.

12.What does the Bank Directory contain?

The Bank Directory contains complete details about each house bank.

13.Describe the purpose of the Bank Key.

The Bank Key is a unique country-specific code. The system uses a combination of the Country Code/Bank Key to identify the house bank.

14.Describe the Account ID.

Each of the bank accounts created within a house bank must be assigned a unique freely definable five-character Account ID. The Account ID is used for the payment program specifications and in the account master records to make a reference to the bank account.

Difference between cost center and work center.

Cost center is place where you incur your costs.

Work center is a place where an operation is performed by a person/machine (group).

Link between them:

The activities performed at or by the work center are valued using charge rates which are defined/determined by cost centers and activity types.

“Company Code vs Controlling Area”

What's the difference between Company Code and Controlling Area?

Company Code

It is the smallest organizational unit in FINANCIAL ACCOUNTING (FI) for which a complete set of accounts can be created. It is the central organizational unit of external accounting within the SAP system. Normally, a company code is created for each company (legal entity). It is a mandatory and pre-requisite that at least one company code must be defined before implementing the Financial Accounting component. All business transactions relevant for Financial Accounting are entered, saved and evaluated at company code level. Therefore, it is at company code level wherein a complete set of financial statements (Balance Sheet, Income Statement, Statement of Cash Flows) can be created.

Controlling Area

Controlling Area in SAP is an organization that represents a closed system used for cost accounting purposes. It is an organizational unit in the Controlling (Management Accounting) separate and has different functions with that of the Company Code. One or more Company Codes can be assigned to a Controlling Area.

SAP- AR&AP Interview Questions

1. 1. At what level are the Customer & Vendor code stored in SAP?

The customer and Vendor code are at the client level. That means any company code can use the customer and Vendor code by extending the company code View.

1. 2. How are vendor invoice payment made?

Manual payments without the use of any output medium like cheques etc

Automatic payment programme through cheques, Wire transfers, DME etc

1. **3. How do you configure the Automatic payment program?**

The following are the step to configure Automatic payment program

Step-1:

Co Code for payment transaction

- Define sending and paying Company Code.
- Tolerance days for payable
- Minimum % for cash discount
- Special GL transactions to be paid

Step-2:

Paying company code for payment transaction

- Minimum amount for outgoing payment
- No exchange rate diff
- Separate payment for each ref
- Bill /Exch payment
- Form for payment advice

Step-3:

Payment method per company

- Whether outgoing payment
- Check or Bank transfer or B/E
- Whether allowed for personal payment
- Required master data
- Doc Types
- Payment medium programs
- Currencies allowed

Step-4:

Payment method per company code for payment transactions

- Set up per payment method and Co.Code
- The minimum and maximum amount
- Whether payment per due day

Bank Optimization by bank group or by postal code or no optimization

- Whether Foreign currency allowed
- Customer/Vendor bank abroad allowed
- Attach the payment form check
- Whether payment advice required

Step-5:

Bank determination for Payment Transactions

Rank the house banks as per the following

- Payment Method, Currency and give them ranking no's
- Setup house bank sub account (GL Code)
- Available amounts for each bank
- House Bank, Account id, Currency, Available amount
- Value date specification

SAP-Enterprise Structure Interview Questions

1. 1. What are the various Organizational assignments to a company code?

Company code is a legal entity for which financial statements like profit & loss and Balance sheets are generated. Plants are assigned to a company code, purchasing organization is assigned to the company code, and sales organization is assigned to the company code.

1. 2. What is relation between a controlling areas and a company code?

A controlling area can have the following 2 types of relationship with a company code.

- Single company code relation
- Cross company code relation

This means that one single controlling area can be assigned to several different Company Codes.

Controlling area can have a one is to one relationship or a one is to many relationship with different company codes.

Controlling area is the umbrella which all controlling activities of cost center Accounting. Product costing, Profit center and Profitability Analysis are sorted.

In a similar way Company Codes is the umbrella for Finance activities.

1. 3. How many Chart of Accounts can a Company Code have?

A single company code can have only one chart of Account assigned to it. The Chart of Accounts is nothing but the list of General ledger Accounts.

1. 4. What are the options in SAP when it comes to Fiscal years?

Fiscal year is nothing but the way financial data is stored in the system. You have 12 periods in SAP and also 4 special periods. These periods are stored in what is called the Fiscal year Variants.

There are two types of Fiscal year Variant

- Calendar year – Jan to Dec , April to Mar
- Year dependent Fiscal year

1. **5. What is a year dependent fiscal year variant?**

In a year dependent fiscal year variant the number of days in a month are not as per the calendar Month.

Example: For the year 2012 the period January ends on 29th, Feb ends on 27th, March ends on 29th. For the year 2013 January ends on 30th. Feb ends on 26th, March ends on 30th. This is applicable to many countries especially USA. Every year Fiscal year variant needs to be configured.

1. **6. How does posting happen in MM during special periods?**

There is no posting which happens from MM in special periods. Special periods are only applicable for the FI Module. They are required for making any additional posting such as closing entries, Provisions. Which happen during quarter end or year end.

1. **7. How many currencies can be configured for a company code?**

A company code can have 3 currencies in total. One which is called the local currency (ie Company code currency) and 2 parallel currencies can be configured.

1. **8. Do you require configuring additional ledger for parallel currencies?**

In case 2 currencies are configured. (Company code currency and a parallel currency) there is no need for an additional ledger. In case the third parallel currency is configured and is different than the second currency type, you need to configure additional ledger.

1. **9. If there are two company codes with different chart of accounts how can you consolidate their activities?**

In this case you either need to write an ABAP program or you need to implement the Special Consolidation Module of SAP. If both the company codes use the same chart of accounts then standard SAP reports give you the consolidated figure.

SAP -GL Interview questions

1. **1. Give some examples of GL accounts that should be posted automatically through the system and how is this defined in the system?**

Stock and Consumption accounts are instances of GL accounts that should be automatically posted to. In the GL account master record, a check box exists wherein automatic posting option is selected called "Post Automatic only".

1. **2. Where is a account group and where all is it used?**

An account group controls the data that needs to be entered at the time of creation of a master record. Account groups exists for the definition of a GL account, Vendor and Customer master. It basically controls the fields which pop up during master data creation.

1. **3. What is a field status group?**

Field status groups control the fields which come up when the user does the transactions. The options available is one can have the fields only for display or one can suppress it or make it mandatory. So there are three options basically. The field status group is stored in the FI GL Master.

1. **4. What is the purpose of a “Document Type” in SAP?**

A document type is specified at the header level during transaction entry and serves the following purposes:

- It defines the Number ranges of the document
- It controls the type of accounts that can be posted at eg Assets, Vendor, Customer & Normal GL Account.
- Document type to be used for reversal of entries
- Document type can be used for Batch Input sessions

1. **5. What is a Financial Statement Version?**

An FSV is a reporting tool and can be used to depict the manner in which the final accounts like Profit and Loss account and Balance sheet needs to be extracted from SAP. It is freely definable and multiple FSV's can be defined for generating the output for various external agencies like Banks and other statutory authorities.

1. **6. How can Input and Output taxes taken care in SAP?**

A tax procedure is defined for each country and tax codes are defined within this. There is flexibility to either expense out the Tax amounts or capitalize the same to stocks.

1. **7. What are Validations and Substitutions?**

Validations /Substitutions in SAP are defined for each functional are eg Assets , Controlling etc at the following levels,

- Document level
- Line item level

These need to be specifically activated and setting them up are complex and done only when it is really needed. Often help of the technical team is taken to do that.

1. **8. Is it possible to maintain Plant wise different GL codes?**

The valuation group code should be activated. The valuation grouping code is maintained per plant and is configured in the MM module. Account codes should be maintained per valuation grouping code after doing the configuration.

1. **9. Is Business area at Company Code Level?**

No. Business area is at client level. Which means other Company Codes can also post to the same Business area.

1. **10. What are the difference scenarios under which a Business Area or a Profit Center may be defined?**

This question is usually very disputable. But both business areas and Profit centers are created for internal reporting. Each has its own pros and cons but many companies now a days go for Profit Center as there is a feeling that business area enhancements would not be supported by SAP in future versions.

There are typical month end procedures which need to be executed for both of them and many times reconciliation might become a big issue. A typical challenge in both of them is in cases where you do not know the Business area or Profit Center of the transaction at the time of posting.

1. **11. What are the problems faced when a Business area is configured?**

The problem of splitting of account balance is more pertinent incase of Tax accounts.

1. **12. Is it possible to default certain values for particular fields? For e.g. Company Code.**

Yes it is possible to default for certain fields where a parameter id is present. Go to the input field to which you want to make defaults. Press F1, and then click Technical info button, This opens a window that displays the corresponding parameter ID(if one has been allocated to the field) in the field data section. Enter this parameter ID using following path on SAP

Easy access screen system > User profile>Own data.

Click on parameter tab. Enter the parameter ID code and enter the value you require to default. Save the user Settings.

1. **13. Which is the default exchange rate type which is picked up for all SAP transactions?**

The default exchange rate type picked up for all SAP transactions is M (Average type)

1. **14. Is it possible to configure the system to pick up a different exchange rate type for a particular transaction?**

Yes it is possible. In the document type definition of GL, you need to attach a different exchange rate type.

1. **15. What are the Customizing prerequisites for document clearing?**

Account must be managed on the open item management. This tick is there in the General Ledger Master Record called open Item Management. It helps you to manage your accounts in terms of cleared and uncleared items. A typical example would be GR/IR Account in SAP (Goods Received/Invoice Received Account).

1. **16. Explain the importance of the GR/IR clearing account.**

GR/IR is an interim account. In legacy system if the goods are received and the invoices is not received the provision is made, in SAP at the Goods receipt it passes the accounting entry debiting the Inventory and Crediting the GR/IR Account. Subsequently when an invoice is recd this GR/IR account is debiting and the Vendor account is credited. That way till the time that the invoice is not received the GR/IR is shown as uncleared items.

1. **17. How many numbers of line items in one single entry you can have?**

No of line items in one document you can accommodate is 999 Lines.

1. **18. In assignment field in the Document you get some reference, which comes from where?**

This is on the basis of sort key entered in the master.

1. **19. How do you maintain the number range in Production environment? By creating in Production or by transport?**

Number range is to be created in the production client. You can transport it also by way of request but creating in the production client is more advisable?

1. **20. In customizing “Company Code Productive” means what? What it denotes?**

Once the Company code is live this check box helps prevent deletion of many programmes accidentally. This check box is activated just before go live.

1.What is open item management?

Open item management means that a line item needs to be cleared against another open item. At a particular point, the balance of an account is the sum of all open items of that account. Generally, you make these settings in the G/L Master for all clearing accounts, such as a Goods receipts and Invoice receipts (GR IR) account, customer account, vendor account, or bank G/L account, or all accounts except the main bank account. Open item managed accounts always have line item management. You can switch open item management on and off through transaction code FS00.

2.What are the types of currencies?

The following currencies are used in SAP solutions:

- Local currency—This is company code currency, which is used for generating financial statements for external reporting. Sometimes it is called operating currency.
- Group currency —Group currency is the currency that is specified in the client table and used for consolidation purposes.
- Hard currency —Hard currency is a country-specific second currency that is used in countries with high inflation.
- Index-based currency —Index-based currency is a country-specific fictitious currency that is required in some countries with high inflation for external reporting (for example, tax returns).
- Global company currency —Global company currency is the currency that is used for an internal trading partner.

3.Are any FI documents created during purchase order (PO) creation? If yes, what is the entry?

During PO creation (using transaction code **ME21N**), no FI document will be created. However, in CO, there can be a commitment posting to a cost center according to configuration. The offsetting entry is posted at the time of GR.

4.There are many banks in a house bank. If a payment is to be made from a particular bank G/L account, how is it carried out?

There can be several accounts in one house bank. A house bank is represented by a house bank ID and a bank account is represented by an account ID. While creating the account ID, you are assigning a G/L account for outgoing payment. When making payment, you will select the house bank ID and account ID, which in turn determines from which G/L account payment will be disbursed.

5.What is the difference between Account Assignment Model (AAM), recurring entries, and sample documents?

AAM: A reference for document entry that provides default values for posting business transactions. An AAM can contain any number of G/L account items and can be changed or supplemented at any time. Unlike sample documents, the G/L account items for AAMs may be incomplete.

Recurring entries : A periodically recurring posting will be made by the recurring entry program on the basis of recurring entry original documents. The procedure is comparable to a standing order by which banks are authorized to debit rent payments, payment contributions, or loan repayments.

Sample documents : A sample document is a special type of reference document. Data from this document is used to create default entries on the accounting document entry screen. Unlike an accounting document, a

sample document does not update transaction figures but merely serves as a data source for an accounting document.

6. In the G/L master you have the options Only balances in local crcy and Account currency. What do these mean?

Account currency is the currency assigned to the G/L account. If you decide that you want to maintain company code currency, then you can post a transaction in any currency in that account. If you want to maintain separate currency for that G/L, note that there will be a difference because of the conversion rate. Some G/L accounts can't be maintained on an open item basis and can't be in a foreign currency, such as clearing accounts or discount accounts, etc. In that case, you can specify Only balances in local crcy to show the balance in local currency.

7. How many charts of account can be attached to a company code?

A maximum of three charts of account can be assigned to a company code:

- operational COA
- group COA
- country COA.

8. What are substitutions and validations? What is the precedent?

Validations are used to check the presence of certain conditions. It returns a message if the prerequisite check condition is not met. Substitutions are similar to validations. They actually replace and fill the field with values behind the scenes without the user's knowledge, unlike validations that create on-screen messages for the user.

9. What are special periods used for?

The special periods in a fiscal year variant can be used for posting audit or tax adjustments to a closed fiscal year. The logic behind the use of special periods is to identify and have control over transactions after the closing of normal posting periods.

10. What is a shortened fiscal year? When is it used?

A shortened fiscal year is a financial year that has fewer than 12 normal posting periods. This type of financial year is used for shifting an accounting period from one financial period to another financial period. For example, say Company X was following accounting period Apr xxxx to Mar xxxx+1, and has now decided to follow accounting period Jan xxxx to Dec xxxx. Now the current accounting period duration is only 9 months, i.e., from Apr xxxx to Dec xxxx, which is less than 12 months. This type of fiscal year is called a shortened fiscal year.

11. What are posting periods?

A posting period is a period of time in which you are posting a transaction. It may be a month or a week. In the fiscal period configuration, you define how many posting period a company may have. A posting period controls both normal and special periods for each company code. It is possible to have a different posting period variant for each company code in the organization. The posting period is independent of the fiscal year variant.

12.What are document types and what are they used for?

Document type is nothing but types of vouchers containing line items. Several business transactions can be identified within a particular document type. The document type controls:

- Document number ranges
- Header part of document
- Line item level of the document
- Filing of physical document

However, if SAP standard document types are not sufficient, you can create your own using transaction code **OBA7**.

13.What is an employee's tolerance group? Where is it used?

An employee's tolerance group controls the amount that is to be posted. Tolerance groups are assigned to user IDs, which ensures that only authorized persons can make postings. By defining the employee's tolerance group, you are restricting employees from entering certain transactions for which they are not authorized. This basically controls who is authorized for what amount.

An employee's tolerance group limit controls:

- Up to what amount per line item an employee can post
- Up to what amount per document an employee can post
- Allowable payment difference an employee can accept

14.How many FSVs can be assigned to the company code?

There is no such restriction of assignment of FSV to company codes. You can assign as many FSVs as you want to the company code.

15.What are recurring entries and why are they used?

Recurring entries (setup in FBD1) can eliminate the need for the manual posting of accounting documents which do not change from month to month. For example, a regular rental expense document can be created which can be scheduled for the last day of each month. Usually multiple recurring entries are created together and then processed as a batch at month end using transaction F.14

16.Explain how foreign currency revaluation works in SAP R/3 FI

Over time the local currency equivalent of foreign currency amounts will fluctuate according to exchange rate movements. Usually at month end, there is a requirement to restate these amounts using the prevailing month end exchange rates.

SAP can revalue foreign currency GL account balances as well as outstanding customer and vendor open item balances.

In SAP configuration, you define the balance sheet adjustment account and which accounts the realized gain/loss should be booked.

A batch input session is created to automatically post the required adjustments.

17.During GL account clearing how can small differences be dealt with ?

During configuration a tolerance limit is set which defines the maximum differences allowed during clearing. The differences can be automatically booked by the system to a specific account during posting (using IMG transaction **OBXZ**)



18.A general ledger master record containsTWO..... segments