

## Basic settings

### 1. What do you mean by company in sap?

A company is an organizational unit in Accounting which represents a business organization according to the requirements of commercial law in a particular country. For which individual financial statements are created according to the relevant legal requirements. A company can include one or more company codes.

### 2. What do you mean by company code?

Company code is one of the organizational unit and legal entity which is formed as per local law where we generate financial statements individually.

### 3. What do mean by segment in sap?

Segment is also one of the organizational element it can be a geographical area. It is new GL concept.

### 4. What is profit center and use of it?

Where profit will be generate we called it as profit center. Profit center can be product or area and it one of the node in org structure./

**Profit Center:** Profit center is an organisational unit used for internal controlling purposes. Profit center accounting at profit center level is based on costs and revenues. Every profit center is assigned to the controlling area organizational unit. Profit center can be assigned in cost center master data.

### 5. What is the use of cost center?

Cost center is also one of the organizational element in CO where we book our cost.

### 6. What is chart of accounts and use of it?

Chart of accounts is nothing but list of GL accounts or structure of GL accounts. By using account groups we create GL accounts at the time of account group creation we create with the combination of chart of accounts. There are three types of COA`s are there

1. Operational
2. Country
3. Group

Operational COA is use to post our day to day business transactions. It is mandatory.

Country specific COA will be create as per country legal requirements. The usage of country COA is optional

Group COA is used for consolidation prepuce. The usage of group COA is also optional

**7. How many types of chart of accounts are there in sap and use of each one?**

- a. Operational
- b. Country
- c. Group

Operational COA is use to post our day to day business transactions. It is mandatory.

Country specific COA will be create as per country legal requirements. The usage of country COA is optional

Group COA is used for consolidation prepuce. The usage of group COA is also optional

**8. Is it possible to assign one COA to multiple company codes?**

Yes, we can assign one COA to multiple company codes.

**9. How many COA can we assign to one company code?**

Only one operation COA we can assign to a company code. Afford from we can assign country specific and group COA as well if it require.

**10. What do you specify in COA?**

We specify name of COA, language of COA, length of GL account number and cost element creation.

**11. What is account group in sap and what it does?**

Account are highest nodes in master data creation. In order to maintain similar types of accounts as group we must create account groups. By using this we create master data. Account groups controls the number range interval of the master records and field status of the master records.

**12. What is retained earnings account and use?**

Retained earnings account is a bridge between P/L accounts to Balance sheet B/S. at the yearend balance of P/L will carry forward to B/S through this account.

**13. Is it possible to maintain more than one retaining account and use?**

Yes, we can maintain more than one based on requirement. So when we assign more than one we have to specify the retained earning account in GL, at the time of P/L GL account creation. Then the respective values will go respective retained earnings account.

**14. What is fiscal year variant?**

It is 2 digit Alfa numeric key it contain posting periods. There are two types of fiscal years are there 1 is year dependent and 2 is year independent.

1 year dependent fiscal year is which varies the starting and ending date to year to year is called year dependent

2 year independent which does not varies the starting and ending date to each fiscal year is called year independent

**15. What is short end fiscal year?**

Short end fiscal year nothing which fiscal year does not have 12 normal posting periods is called it short end fiscal year. It must be year dependent.

**16. Is it possible to assign one fiscal year variant to multiple company codes?**

Yes, we can assign more than one company code.

**17. What is posting period variant and use?**

It is 4 digit Alfa numeric key it contains which month is open and which month is closed.

**18. What are the posting periods and use?**

Posting periods are months where we post all our day to day business transactions.

**19. Is it possible to assign one posting period to multiple to company codes?**

Yes, we can assign more than one company code.

**20. What do you mean by document number range and use?**

Document number is unique identification. Document number can be internal or external. If it is internal system will generate number for the document from the interval. If it is external we have to give number to the document from the interval.

**21. How many types of number range are there in sap and use?**

Document number can be internal or external. If it is internal system will generate number for the document from the interval. If it is external we have to give number to the document from the interval.

**22. What is document type in sap and use/what it controls?**

Document type bifurcates the business transactions based on nature of the transaction. So we can come to know what type of entry it is by seeing the document type. It controls the document header data fields like reference number header text fields and it controls the

- a. Number range interval of the document
- b. Reversal document type
- c. Account types which are to allowed
- d. Exchange rate type for the document type
- e. Negative postings allowed
- f. Intercompany transactions allowed

**23. What is field status variant?**

It is 4 digit Alfa numeric key it contains the field status groups.

**24. Is it possible to assign one field status variant to multiple company codes?**

Yes, we can assign one FSV to more than one company code.

**25. What is field status group and use or what is does?**

Field status group controls the field status of document line item. We assign this group in GL master so at the time of posting we give GL account based on this link will be happen.

**26. What is posting key use?**

System does not know which line item is debit and which line item is credit, based on posting key which we give at line item level system will treat debit and credit line items. And posting key also controls the field status of the document line item like field status group.

**27. Deference between posting key and field status variant?**

Posting key is at client level field status group is company code level. So if you make any changes at posting key level it will be applicable to all company codes in client whereas field states group does not do it because it is company code level.

**28. What is the use of tolerance group in sap?**

This we used for posting with tolerance. It is mandatory basic setting. Here we give tolerance limit for debit and credit line items. It can be either in percentage or amount.

**29. How many types of tolerance groups are there in sap FI?**

- a. Tolerance group for GLs
- b. Tolerance group for employee
- c. Tolerance group for vendors/ customers

**30. What do you mean by global parameters?**

From here we can see all the values which we assigned to company code and we can maintain some values from here those are like propose fiscal year, PAN number, balance sheet per business area etc..

**31. How many variants are available in sap?**

Field status variant

Fiscal year variant

Posting period variant

**32. What is the use of propose fiscal year check box?**

If we select this option system proposes the always with current year as default value like value date also works.

**33. What is the use of default value date?**

If we select this option system proposes the always with current date as value date as default value.

**34. What are special periods use?**

Special periods are part of last fiscal year. Usage of special periods purely optional. The Special periods in a fiscal year can be used for things like posting audit or tax adjustments to a closed fiscal year.

**35. What do you mean by company code is productive and where do we specify?**

If you select this option system prevent automatic deletion of programs and settings generally we select this in production system. This option is available in global parameters.

## GL

### **36. What is GL account?**

It is a key or master which we use to post transactions to update books. There are used to post day to day business transactions.

### **37. How many segment are available in GL what are?**

There are 2 segments are there

Chart of accounts segment

Company code segment

### **38. What is account currency?**

In which currency account is created is called account currency it can be local currency or other currency.

### **39. What is the use of only balance in local currency check box?**

Select this check box where you want to update balance in local currency. When you select this option balance of the account only will show in local currency it won't show in other currency.

### **40. What is the use of exchange rate difference key?**

This is just 4 digit key which we use to calculation exchange rate differences.

### **41. What is reconciliation account type?**

Reconciliation account is a bridge between sub ledger and main ledger. We can't post transactions directly to this account.

# Sort key ?

Sort key is used to sort the document posted in a particular ledger wise.

**42. What is the use of open item management explain briefly?**

Select this option where clearing is required. If you select this option we will be able to see all the line items separately in ledger like open item and cleared items. Generally we select this option for only balance sheet GLs we can't select for P/L accounts. Then we can clear against line items fully or partially or residually

**43. Difference between partial clearing and residual clearing?**

If you go for partial clearing the document will keep open till you pay remaining amount whereas if you go for residual clearing the original document will be cleared and new document will be generate for new residual line amount.

**44. What are the pre-requisites to select open item management check box?**

Line item display check box. It is mandatory if the GL is managed with open item management.

**45. What do you mean by post automatically check box and for what type of account we select give some examples?**

Select this option where you want to post automatically. If we select we can't post manually to particular GLs.

EX: GR/IR

**46. What do you mean by GL account block and how many ways are there the use of each one is?**

If you go for account block it will ask you against what you want to block like

- i. Block for creation
- ii. Block for planning
- iii. Block for posting

So if you block GLs those will be no longer valid to against you option. If you block for posting we can't make any posting like remaining also work.

**47. What do you mean by document date and posting date difference between?**

On which date you want to create is document date and on which date you post document is posting date. These can be different dates.

**48. What is posting period how it comes automatically at time of posting?**

In which period your posting is called posting period the period must be open. This will be fill automatically based on posting date.

**49. What is the use of reference field in sap?**

It is free defined field we can give value in this field for identification purpose.

**50. What is the use of document header text?**

It is free defined field we can give value in this field for short text of document identification.

**51. How many segment are there in document what are they?**

Two segments are there in document those are

- 1.header data segment.
- 2.line-item segment.

### **52. What do you mean by document over view and simulation difference between those?**

If you go for document over view it just shows the over view of document but not if you miss any required field where as if you go for document simulation it will ask missing values before show you over view.

### **53. What is the use of exchange rate calculation in sap?**

As per accounting standards we have to value the FC in local currency how much we are holding as FC. So when we value this we may get either profit or loss, we called it as exchange loss or exchange gain.

#### **Park Document**

This is a type of release procedure. We park the document for approval purposes in SAP. It will not update in ledger balance but the number for document will be generated from the number range assigned respectively e.g. SA/KR/DR. Tr.Code: FV50, FV60, and FV70. Display changes: FBV5 Post parked doc: FBV0.

#### **What is hold document?**

Generally hold documents are created where we don't have complete information to post the transaction. Here we can give any document number alpha numeric key. It will not update in ledger balance. FB01L, FB50, FB60, FB70 are the transactions to hold the doc

**Auto Clearing:** F.13 Generally the auto clearing concept is required to clear GL accounts, vendor accounts and customer accounts, where they are having open debits and open credit line items with zero (0) balances. Automatically based on the clearing criteria rules defined. When GR is done against the PO and again IR is done against the GR, both the accounts when seen in FBL1N, these both accounts are shown as open items. For to move this GR/IR clearing line items to cleared status, we have to run Tr.Code: F.13. Automatic posting clearing configuration Tr.Code is OB74. Here you give criteria matching like give field names to match. Like Ch of accts Acct type From acct To acct Criteria 1 Criteria 2 Criteria 3 Criteria 4 XYZ S D K 100500 A A 100599 ZZZZZZ ZZZZZZ XBLNR XBLNRXBLNR EBELN GSBER GSBERGSBER ZUONR ZOUNR XREF1 Then you run F.13. Manual clearing is done at F-07, F-03 for GL for OI clearing, F-53, and F-44 for vendor and F-28, F-32 for customer. P

**What is the difference between sample document and recurring document?** Sample document and recurring documents both are templates and will not be having any impact on your financial position. Here you use the templates to control your mistakes or changes and to save the time. In sample document template you can change the entire fields' maximum except company code and currency. You can change the amount, GL account, posting date. Recurring means re-occurring that means the amount will be the same for all periods like rent, insurance etc. Here you can change the posting date you cannot change the amount. F-01 is for sample document. Number range is X2 for sample documents. F.57 is for delete. FBD1 is to create recurring document and to post recurring document is F.14, and to display with due date wise is F.15. Delete recurring document is F.56. Number range is X1 for recurring documents.

## AP

AP deals with vendors. Here all vendors activates will be taken care like invoice management, making payments based on terms and conditions

### **54. Who is vendor what is his role in business?**

With whom we do purchasing activates is called vendor. Vendor provides all required materials so vendor plays vital role in business.

### **55. What is the meaning of one time vendor?**

One time vendor is euonymus vendor does not do business regularly. We no need to maintain master record for this type of vendors. At the time of invoice posting we enter all the details like name address etc...

### **56. Difference between one time vendor and regular vendor?**

With one time vendor we do not do transactions regularly whereas with normal vendor we do. And we maintain master records for normal vendors we won't do for one time vendor.

### **57. What is vendor account group and what it controls?**

This source to create vendor master records it controls the number range interval of the master record and field status of the master record. These account groups are at client level.

### **58. All account groups at what level is it company code or client level?**

Account groups are at client level.

**59. If it is client level, if we make any changes it will be applicable for all company codes so I want to maintain different settings each company code wise in AP and AR what do we do?**

Account groups are at client level so if we do fields required at account group those will be same for all company codes. Here if some company code does not required as required field then we create screen layout for company code and make changes at screen layout level which we assigned to company code.

**60. What do you mean by down payment?**

Down payment is like advance for safe business trade we take and give.

**61. What is the customization process for down payment in sap?**

Down payment is special GL transaction so we have to give bridge between recon account and this special GL recon account. When we post down payment we have to give special GL indicator so those items will flow to particular account which we have given in background.

**62. What are the outgoing payment process available in sap?**

There are 2 types 1 is manual and 2 is automatic payments.

**63. What do you mean by APP?**

It is a program to make payments to different vendors/customers by using different company codes and different payment methods for multiple invoices at a time.

**64. What is the process of APP?**

The process of app is flow of making payments. Process starts with open line items for vendors, we have to clear those items based on terms of payment. If we have bulk amount of invoices it is very difficult to find which are due and which are partially cleared. System takes all due invoices in this process.

**65. Customization flow of APP in sap?**

Creating payment method for country

Assign payment method to company codes

Define paying company codes and sending company codes

Specifying additional parameters to paying company code

Giving ranking order to banks for payment method allowed limit

**Explain APP: FBZP:** Automatic Payment Program, which is used to make payments to more than one vendor for more than one invoices by using more than one banks by using more than one payment modes also. In configuration point of view we need to setup the activities like

- 1) **Setup all company codes**  
where you need to specify the paying company code, sending company code, and also the separate payments as per the business area would like to process. And also we can consider special GL transactions for vendor and customers. Apart from that we need to configure another step i.e.
- 2) **Setup paying company code**  
where you have to specify minimum amount for this incoming and outgoing payment. We need to specify the payment medium. Also we need to specify the
- 3) **Setup payment method for country for payment transactions,**  
where you specify whether the payment medium is for incoming payment or outgoing payment. Whether it is check or bank transfer and also we need to specify document types of payment. Also we need to specify the payment program name for check printing whether it is going for payment medium exchange. Also we need to specify currency specifications if you want to specify. After that we need to specify the
- 4) **Payment method for company code for payment transactions,**  
where you need to specify the minimum amount and maximum amount for outgoing payment, also we need to specify the payment advice program name. Then we need to specify the
- 5) **Banking determination** where you specify the ranking orders and currency specifications, house bank, account id, and available balance, later we will process the vendor open items then, the system will identify the corresponding house bank and system will generate the payment advises and send the communication to the bankers and vendors.

1) **Maintain payment parameters:** First you give the "date of execution" and "payment run identifier" and you maintain the parameters. There you give posting date of these payments, document date up to which the program should consider the items and you give "paying company code" and "payment methods" to be considered, and you give "next posting date".  
Q) What is significance of next posting date in APP? A) When you run APP, the items which are not due in this payment run, might be over due by next payment run date. Then you will lose your discount. Such items will be paid out in this payment run.

2) **Payment proposal:** Based on the payment parameters maintained system creates the "payment Proposal". The system selects the eligible open items based on due date is determined via baseline date and terms of payment for each line item. Then program calculates the cash discount period and due date for the net payment. Grace periods are then

added to this due date, which special GL's are to be included, blocking an item. The payment proposal can be displayed for further processing, i.e., in log to see the system messages.

3) **Edit proposal** :You can be able to edit the proposal, you can change house bank, payment method, and change payment due date to restrict certain open items, block or unblock line items.

4) **Payment Run**: After Payment run has been edited, you can run the payment program that creates the payment documents and prepares the data for printing the forms. Before printing the forms, check the log once to make sure the payment program run was successful.

5) **Print run**: You need to define the variants for print programs, you need to run the print program at least one variant per print program per payment method. The data created by Payment Program is stored in tables like: REGUH – Payee or payment method data, REGUP – Individual open items data, REGUD – Bank data and payment amounts data.

**House banks**: FI12 Bank Directory – FI01 Here we specify bank name, bank address, contact person, telephone number. You can have N-number of house banks for your company code and for each house bank there can be N-number of bank accounts, each bank account is identified by account ID. This account ID is referenced in customer/vendor master record and is used by payment program by the system. For account ID – you assign one bank account number and for each bank account number defined in the house bank you need to create a GL account master record.

### **What is cash journal?**

Why do we use in SAP? Normally GL cash account accepts negative balances, but cash journal will not accept negative balances. In companies they take daily cash statement showing open cash balances / receipts for the day / payments for the day and closing cash balances. Cash journal provides this statement. Some companies use this cash journal as petty cash purpose. Define Number range interval for CJ: FBCJC1. Document type: SA. Setup cash journal: FBCJC0. Create/change/delete business transaction: FBCJC2. Setup print parameters for Cash Journal: FBCJC3. Post cash journal entries: FBCJ.

### **66. What is the use of next run date in APP?**

Some invoices may not be due now it will be over due to next run so those invoices also will consider in this run and if there is any cash discount on invoice if we are losing that by next run those also consider in this run.

### **67. What are the different outputs in APP?**

Print programs and flat files.

### **68. Where do you give program for check printing?**

In payment method per country.

**69. What is payment method, and use, at what level it is?**

Payment method tells us what type of payment it is. Like whether it is check payment or bank tranche for or bill of exchange what it is. It is at country level.

**70. What is the use of payment advice and payment medium?**

Based on payment advice bank will make payments to party's. In payment advice due date would be there based on bank carryout payments

**71. What is the use of ranking order in APP?**

We are giving ranking order with the combination of payment method and bank account Id, so here we are telling to the system make payment this much amount when I use this payment method.

**72. Is it possible to maintain particular currency payment methods wise?**

Yes, we can maintain currency's to payment methods

**73. If I give single particular currency for payment method is it possible to make payments in different currency?**

No, that is not possible to make in different currency if payment method currency is different.

**74. If I want to make payment to foreign vendors by using local payment method what are the pre requisites?**

So we have to activate allow foreign partner check box in FBZP settings, than we can make payments to foreign vendors as well.

**75. What is the use of payment supplement?**

By using this we make group to gather payments.

**76. Where do you give payment supplement?**

In vendor master we give this option. This will be available in vendor master when you activate it in FBZP settings.

**77. Is it possible to make payment single line item wise if yes what are the pre requisites?**

Yes, we have to activate it in FBZP settings that make single payment to line item option.

**78. What is difference between sending company code and paying company code?**

The company which is paying is called paying company and the company which is making payments by other company code is called sending company code that is benefiter company code.

**79. What is the use of tolerance days in APP?**

Grease days to invoice due date.

**80. What are the entries in APP?**

At the time of invoice

Raw material a/c DR-----100

To vendor account-----100

At the time of app payment

Vendor account DR -----100

To bank sub account ---100

At the time of BRS

Bank sub account DR-----100

To main bank account---100

**81. What is the entre if paying company code and sending company codes are different in APP?**

**82. What are the pre requisites to post a vendor invoice customization point of view?**

**83. What is the use of terms of payment?**

Determine the invoice due date.

**84. What is due date how it determines in invoice?**

Due date is lost date to make payment for the invoice. It will be determine by payment terms.

**85. What are the entries from invoice to outgoing payment?**

At the time of invoice

Raw material a/c DR-----100

To vendor account-----100

At the time of app payment

Vendor account DR-----100

To bank sub account----100

At the time of BRS  
Bank sub account DR -----100  
To main bank account -100

**86. What is instalment terms of payment?**

Instalment terms of payment splits the invoice into different line items as per due date.

**87. What is difference between instalment terms of payment and normal terms of payment?**

Both are same these determines the due date of invoice, but instalment terms of payment splits the invoice different line items as per instalments

**88. What do you mean by house bank?**

Dealing with bank.

**89. What is account ID in house bank?**

Account Ids are nothing but accounts which we have in bank like saving account current account etc.

One house bank can have multiple account Ids.

**90. What is bank key?**

**91. What is IBAN?**

**92. What do you mean by SWIFT code?**

**93. Is it possible to maintain multiple account IDs under one house bank?**

**94. What is the use of sub control accounts in sap?**

**95. What is auto clearing and how it works?**

**Terms of Payment/Payment Terms:**

I have created many payment terms as per client business requirements. I know very well how to create instalment payment terms to determine the due dates/base line date, percentage wise, whether for customers or vendors; whether it is based on posting date or document date etc. Base line date is which identifies the due date of invoices. Tr.codes are OBB8 and for instalments OBB9.

**Reconciliation account:**

When you are posting items to a sub ledger, the system automatically post the same data in to the general ledger. Each sub ledger has a one or more reconciliation accounts in to the general ledger. These reconciliation accounts ensure that the balances of G\L accounts are always zero. This means that you can draw balance sheets at any time without having to transfer totals from the sub ledger

into the main ledger. The Reconciliation Account field can be found in the company code segment of the customer/vendor master

## **AR**

AR deals with customers gathering the requirements from the customers and providing goods and services invoicing for it and taking incoming payments if any pending's from customers issuing dunning notices all the activities will be done.

### **96. What do you mean by one time customer?**

One time customer is an enonamies customer, this type of one time customers does not do regularly business. We no need to maintain master records for him. We will enter all the details at the time of invoice posting.

### **97. What is dunning procedure what do we define in procedure?**

Dunning procedures are company code independent. They determine the dunning interval, the grace periods for the due date determination, and the number of dunning levels. You can also set the dunning level at which you want to list all due items from an account in the dunning notice. You can either specify a fixed charge or have the system calculate the charge on the basis of a percentage rate you specify. You have to define one or more forms for the notice.

**98. What is donning notice?**

It is just like remainder to customer saying that you're due this much amount for these many invoices. So by seeing this remainder customer will make payment.

**99. How many levels are there and generally how many levels we use?**

Maximum levels are 9 generally we use 4 levels if we want to use all the levels we can use.

**100. What is the difference in donning notice for each level?**

For each level of donning notice severity of notice and text will be change. If there is any interest for next level that will be add to amount so in this case amount also change.

**101. Where is the link between customer and donning procedure?**

In customer master we assign dunning procedure so when we post invoice by using the customer master it will be derive form the customer master.

**102. Is it possible to integrate vendor and customer?**

Yes, we can integrate vendor and customer in 2 master records we have field under general data segment in control tab to enter customer and vendor.

**103. If we integrate vendor and customer is it possible to make payment by adjusting the amount with payment?**

Yes, we can adjust against AP outgoing payments with AR incoming payments.

**104. How many segments are there in customer master what are?**

There are 3 are 1. General data segment 2. Company code data segment 3. Sales organization data segment

**105. What is the difference between FD01 to XD01 creation of customer master?**

If we try to create customer master data by using FD01 T-code here we do not get sales organization segment so here 2 segments available those are general and company code segments. If you go for XD01 here we get all 3 segments. Like this for vendor also.

**106. If we want to calculate interest on due items of customer is it possible?**

Yes, we can calculate interest on overdue items by using item interest calculation.

**107. What is the use of item interest calculation in AR?**

For calculation of interest on overdue items.

**108. What is the base to determine invoice due date in AR?**

Terms of payment is the base to determine due date of invoice.

**109. How many terms of payment can we assign in vendor or customer master?**

We can assign 2 terms of payments one is at company code and another one is at sales organization/purchasing organization segment. So if we create PO based invoice (in MM module) terms of payment derived from centrally that is sales org/ purchase org segment. If we create non PO based invoice (in FI module) invoice terms of payment derives from company code segment

**110. What is the use of assigning 2 terms of payment and difference between?**

If we create PO based invoice (in MM module) terms of payment derived from centrally that is sales org/ purchase org segment. If we create non PO based invoice (in FI module) invoice terms of payment derives from company code segment.

**111. To make AP payments we have APP program like for incoming payments do we have any program in AR?**

Yes, we have process called lock box system.

## **Asset accounting**

Asset accounting deals with asset related thing like acquiring deprecating selling scraping transferring assets company codes and intercompany or intra company codes.

**112. What is chart of depreciation?**

Chart of depreciation is highest organizational element in asset accounting. It is nothing but list of depreciation areas.

**113. What do you mean by depreciation area?**

Depreciation area means how we are going to depreciate assets in our books. It can be book depreciation or tax depreciation or other type of depreciation.

**114. Chart of depreciation is at what level is it company code level or client level?**

It is at client level.

**Diff between Chart of depreciation and chart of accounts:**

Chart of depreciation consists of list of country specific depreciation areas. SAP comes with default chart of depreciation based on the requirements of each country. You can only copy as a reference and create chart of depreciation. After copying you delete the unwanted depreciation areas and then only you have to create assets, or else deletion is not possible.

One company code can have only one chart of account. The chart of accounts can be global, country specific, and industry specific based on the needs of the business. The chart of depreciation is only country specific. The charts are independent of each other.

**115. Is it possible to assign one chart of depreciation to multiple company codes?**

Yes, we can assign one chart of depreciation to multiple company codes because it is at client level.

**116. What is screen layout rules in asset account and what it controls?**

Screen layout rules in asset accounting controls the fields of the asset master.

**117. What is account determination in asset accounting and at what level it is?**

Accounting we do it in AO90 T-code. Here we assign GL accounts to flow data automatically respective GL accounts based on nature of transaction like for acquiring, for sale of asset, losses on sale, and gain on asset sale, and for accumulated depreciation and depreciation etc...This account determination we assign in asset class.

**118. What is asset class?**

Asset class classifies the assets based on nature of assets like machineries, buildings, vehicles etc... like this classifies. Assets classes are at client level.

**119. What do we define in asset classes and at what level these are?**

In asset classes we define few attributes like account determination, screen layout rule, and number range interval of asset class and whether this asset class is AUC asset class or not. If it is AUC asset class we have to select the line item settlement radio button. These are at client level.

**120. What do you mean line item settlement option in asset class how it works?**

It means if we select this option in asset class this asset class is AUC asset class.

**121. What is asset accounting flow?**

Sub asset master will be create with reference to main asset master

Main asset master will be create with reference to asset class

In asset class we specify all the attributes like account determination and screen layout rule etc...

Values will be flow respective GLs through account determination base on nature of transaction

**122. What is the use of sub-asset in SAP?**

We can see the report sub asset level and we can post values to sub asset.

**123. How many segments are there in asset master?**

There are 2 those are 1. Company code segment or asset segment 2. Depreciation segment

**124. How many ways can we control asset master fields?**

2 way are there one is from general screen layout rule and 2<sup>nd</sup> one is from depreciation tab level.

**125. What do you mean by depreciation key and how it works?**

Depreciation key is nothing but rate + method. How much rate of depreciation and what type of method it is whether it is straight line or written down method what it is?

**126. What are the 5 methods in depreciation key and what is the use of each and every method?**

Base line method- what type of depreciation and the depreciation calculation method?

Declining balance method

Maximum amount method

Multi-level method

Period control method

**127. What are the depreciation methods in SAP?**

Straight line, written down and useful life etc...

**128. What are the depreciation calculation methods and difference?**

Planned- as per planned we can't skip single periods so each and every period we have to run depreciation. System determines the next period to be posted in according to the defined depreciation posting frequency

Unplanned- in this can skip over periods. System does not check for the connection to the previous period.

Repeat- Indicator for repeating the depreciation posting run. It is possible to repeat the posting run within the period last posted. However, in contrast to the first run for a period, the repeat run can be restricted to specific assets. In the repeat run, the system posts changes to depreciation, as compared to the depreciation amounts from the previous run. Normally the repeat run is carried out at the end of the fiscal year

Restart- Depreciation posting is performed in several steps and at each step the system logs the current status. If the program is terminated during a posting run for various reasons, then the program has to be started again in the restart mode to clear the data base of possible inconsistencies. A restart run should therefore only be performed in certain cases and cannot be started in a test mode.

### **Q Explain AFAB (Depreciation run)?**

Planned – means normal. Repeat – the system checks for which assets depreciation was not calculated in 1st planned posting run only, for those assets it calculates and posts the depreciation (only after planned, repeat option is available).

Restart – is whenever server is down in between, it gives message “restart”.

Unplanned – means when provisions are maintained we use this option (or) any unexpected loss to the asset occurred then we use this option.

### **129. What is the entry at the time of depreciation posting and why?**

Depreciation a/c DR XXXXX

To accumulate depreciation XXXXX

Because depreciation is expense so as per nominal accounting principle all expenses are debit.

### **130. What are the entries in asset account?**

#### **Purchase of asset**

Asset A/C (70) DR

To vendor (31) Cr

#### **Sales of asset**

Customer A/C (01) DR

Asset Sale A/C (50) Cr

Acc. Dep. on Asset (70) DR

Asset A/C (75) Cr

Asset Sale A/C (40) DR

Profit on Asset sale (50) Cr or Loss on Asset sale (40) DR

**Deprecation posting**

Depreciation A/C DR

To Acc. Depreciation A/C Cr

**Scrapping of asset**

Asset A/C (75) Cr

Acc. Depreciation A/C (70) DR

Loss due to Scrapping A/C (40) DR

**Transfer of an asset**

**ABUMN----->Asset transfer within Company Code**

70 Asset debited in NEW Business Area

75 Asset credited in OLD Business Area

70 Acc. Depreciation debited in OLD Business Area

75 Acc. Depreciation credited in NEW Business Area

**Asset master: Tr.Code AS01,**

asset master contains some necessary information to calculate the depreciation for the asset. They are: capitalisation date, depreciation areas for that asset, depreciation key, and useful life, change over if any, scrap value if any and start date of depreciation.

**Q) Can you create multiple assets in one transaction?** Yes, you can create multiple assets under single transaction AS01, only when all the assets belong to same asset class with same company code. You cannot create long text through this method. Time-dependent tab in Asset master: All cost accounting assignment related data such as cost center, internal orders or investment projects needs to be maintained in this tab. Asset shutdown and shift operation is also maintained here.

**Q) How do shutdown the particular asset?**

First you have to select Asset shutdown option when assignment of calculation methods tab in depreciation key level (AFAMA). Then also you have to select asset shutdown optional in time

dependent tab in asset master screen layout. Then you come to the asset edit mode (AS02) and you can select asset shutdown button and add the interval from what date till what date it has to shutdown in time dependent tab in more intervals button.

Same way we can do it for **asset multi shift factor** (change it to optional in asset master screen layout) and in AS02 select depreciation areas tab, double click on book depreciation area and give variable portion some % (e.g. 90). Next go back and in time dependant tab go to more intervals and give the interval duration for which you want to calculate multi shift.

**Asset transaction type:** It identifies the nature of the asset transaction.

Example: 100-external asset acquisition,

110 in-house acquisition,

200-asset retirement without revenue,

210-asset retirement with revenue, etc. Transaction types are assigned to Transaction type groups.

**Q) Is it possible for you to assign an Asset to more than one Cost Center?**

A) No, an asset can be assigned to only one cost center.

**Q) How do you reverse the depreciation posted?**

A) No, we cannot reverse the depreciation once posted. It is not possible to reverse the depreciation for one particular month. For example, 4 months depreciation is posted. It is not possible to reverse the depreciation for one particular month at all. When we reset it; all the values will be gone.

**Diff between Chart of depreciation and chart of accounts:** Chart of depreciation consists of list of country specific depreciation areas. SAP comes with default chart of depreciation based on the requirements of each country. You can only copy as a reference and create chart of depreciation. After copying you delete the unwanted depreciation areas and then only you have to create assets, or else deletion is not possible.

One company code can have only one chart of account. The chart of accounts can be global, country specific, and industry specific based on the needs of the business. The chart of depreciation is only country specific. The charts are independent of each other.

**Q) Is it possible to calculate the depreciation day wise?**

A) Yes, we need to activate this at depreciation key level, where you maintain WDV method, straight line method.

**Low value Assets:**

The asset is fully depreciated within the same year when it's acquired. We define a monetary limit and consider all those assets falling below the value mentioned. We use a special depreciation LVA, and useful life is considered to be one month.

#### Asset transfers: 2 types: Tr.Code: ABUMN

i) Intercompany transfer (between company codes). This results in a new asset creation in Target Company, posts acquisition and retires the asset in Source Company by asset retirement. Finally posts intercompany profit/loss arising from the asset transfer and updates GL automatically. ii) Intra-company transfer (change in asset classes or settlement of AuC asset to new asset or splitting an existing asset into 2 or more assets etc.).

#### Asset Retirement:

retire by sale or by scrapping. In case of sales, it can be with revenue or without revenue. Again it can be with customer or without customer. Asset retirement with revenue

- o With customer (involving integration with FI-AR) Debit customer, credit assets ♣
- o Without customer Asset retirement without revenue
- o With customer Debit clearing account, credit asset ♣ Debit customer in A/R, credit the clearing account ♣
- Asset retirement using GL document posting

#### Q) How many Charts of Depreciation could you assign to an asset class?

There is no limit.

#### Q) How many depreciation areas could be assigned to a Chart of Depreciation?

A Chart of Depreciation could contain up to 99 depreciation areas. A Depreciation Area is always assigned to only one Chart of Depreciation.

#### How to settle internal order to AUC to cost center? OR

#### Capital Work in Progress.

We need to treat this as AuC assets. To capitalize this asset master record, there might be some kind of additional expenses that might be occurred, so those expenses must be settled to the AuC through internal orders. From that we need to create a settlement profile and maintain the settlement rules under receiver in asset master record and specify the percentage. You have to use depreciation key '0000' for not calculating the depreciation till it is settled. Then we have to execute the settlement profile, and then simply execute it, this way it is settled. Tr.Code: AIAB, AIBU.

Financial Statement Version (FSV): createOB58 & FSE2 Actually FSV

is nothing but the format for B/S and P&L statement. So, it will be prepared as per

accounting schedule (6) basis, which contains the items like what kind of the accounting heads should be there. Also we need to map the GL accounts, which carry the values under those heads, which is defined at the chart of account specific combination. After that the statement can be used in our company code combination and generate the values which are posted with the particular GL master records in that particular financial period which we specify in the reporting selection. Execute FSV Tr.Code: F.01

## EBS

### Q) What are the steps involved in configuring Electronic Bank statement in Bank Accounting?

1st we need house bank and bank accounts.

- 1) Define account symbols (IMG>FA>Bank Accounting>BT>EBS>Make global settings for EBS). Specify G/L accounts (such as bank, cash receipt, outgoing checks) to which postings are to be made from account statement. You assign account symbols to the G/L account numbers. These are required for the posting rules in
- 2) Assign accounts to account symbols
- 3) Create keys for posting rules
- 4) Define posting rules
- 5) Create transaction types (you group together all banks that use the same external transactional code for certain business transactions under the same transaction type)
- 6) Assign transaction type to posting rules
- 7) Assign banks to transaction types
- 8) Import Electronic Bank Statement FF\_5

9) Checking of bank statement – FF67

### Q) What is a search string in EBS?

At the time of uploading the file which is coming from bank in that there will be a key, based on the same key if we define a search string in SAP, it will identify the exact record, which record needs to be updated.

## Legacy System Migration Workbench (LSMW)

LSMW: It's a tool or a transaction which is used to upload all kinds of master records/transactional records from non-SAP to SAP.

This is a system standard migration tool. In this there are 4 types of import methods are there. Standard batch input/direct input is the best method for transactional data without ABAPer help.

And Batch input recording method is the best method for master data upload without ABAPer help.

The rest two BAPI and IDOCs are with ABAPer help.

Here you create project, subproject and object. Then you maintain that objects' attributes. Then maintain source structure in the next step, and then maintain source fields and you map the fields and conversion rules. Then you specify files and assign files. Then read data, display read data, convert data, display convert data. Then you create batch input session and next you run batch input session finally. Now you go and check the master records accordingly.

How many methods of import methods are available? There are 4 types of import methods:

- 1) Standard Batch/direct Input,
- 2) Batch Input recording method,
- 3) Business Object Method (BAPI) and

4) IDOCS (intermediate document).

First 2 are used by functional consultants without ABAPer help and second 2 are to be taken help from ABAPer.

1) Standard Batch / Direct input is the best method to upload transactional data.

2) Batch input recording method is the best method to upload any kind of master records.

## IDOCS

Q) Have you had any experience working on any IDOC's or EDI (electronic data interchange)?

I have worked on IDOC's (intermediary document); IDOC is nothing but an intermediate document which exchange the data between SAP systems to non-SAP and vice versa. There are two types of IDOC's – Inbound and Outbound. Inbound is the document what comes inside and Outbound is what goes outside. There are three types of records in IDOC's

1) **Control records:** It contains which is source system, Target system, Basic type, Partner type, Partner Number and Message type.

2) **Data Records:** It Contains structure and field names.

3) **Status Records:** It specifies the status of the IDOC, with a range of 1-49 for outbound and 50-75 for inbound. These status records are stored in the table EDIDS./ It contains message type.

Examples: # Inbound messages types.

51- Application document not posted.

53- Application document posted.

# Outbound messages types.

03 – Data passed to port OK.

02- Error passes data to port.

01-I Doc generated.

**What is the TC to reprocess the IDoc?**

➤ TC : BD87.

**Create I Doc type from message types?**

➔ BD21.

**Message Types?**

- ➔ COSMAS – Cost centre master data.
- ➔ COELEM – Cost element master data.
- ➔ PRCMAS – Profit Centre.
- ➔ GLMAST – GL Master record.

**Partner profile:** is the partner who is receiving or sending the data.

**Port:** Port act like a bridge between system to send and receive data through IDOC.

**Message types:** is the message which is transferred in between the business partners. Basic type is the container in the message.

**Q) Online Service System (OSS):**

Generally we approach the OSS team where there are any product defects; searching for OSS notes, for any latest update information. Go to service support portal enter your credentials and report and incident button. Here also we have the priority levels. After creating incident you send, a number will be generated. An OSS note means it can be a patch, document which contains the instructions/information. SNOTE is the Tr.Code where the basis consultants will upload the OSS notes into SAP. Site: [service.sap.com](http://service.sap.com)

**Q) What are the month end activities you involved or you do?**

- A) Accrual postings,
- B) foreign currency valuation,
- C) depreciation run,
- D) GR/IR clearing / Auto clearing

E) Open and closed posting periods

**Year endactivities ?**

A) All month end activities are part of year end activities , Apart from that closed fiscal year in asset accounting(AJAB).And open new fisicalyaer in asset accounting (AJRW).

If document number rangers are year specific copy number range interval to new fisicalyear .

And carry forwarding the current year closing balances off g/l,customer,vendor, to new fisical year has opening balances.

**FI TO MM PROCESS FLOW / PROCUREMENT CYCLE / P TO P:**

1. Material acquisition (By production dept to stores).
2. Purchase acquisition (By stores to purchase dept).
3. Call for enquiries- Get quotations & Price comparisons (By purchase dept).
4. Creation of Purchase order- In purchase order we mention vendor master record, Material master record, Quantity, Rate, Terms & Conditions etc. – TC: MV21.
5. Goods Receipt: Goods receipt will be done with reference to PO. The flow of accounting entries starts form goods receipt – TC: MIGO.  
Inventory RM a/c dr 1000 (BSX)  
    To GR/IR clearing a/c 1000 (WRX)
6. Invoice Verification: It will be done with reference to goods receipt TC : MIRO  
GR/IR Clearing a/c dr 1000 (WRX)  
    To Vendor a/c 1000 (PO)
7. Out going payment  
Vendor a/c dr 1000  
    To Bank a/c 1000

What is GR/IR Clearing account?

# GR – Goods receipt # IR- Invoice Verification

It is a temporary offsetting account some times we may receive goods before invoice, some times we may receive invoice before goods receipt.

This account has to be managed with open item management. At the end of month / Point the balance in GR/IR clearing account must be “0”.

### **FI TO MM CUSTOMIZATION FLOW:**

1. We need to create accounting category references for material master record in TC: OMSK.
2. We need to assign accounting category references to valuation class.
3. Also we need to assign accounting category reference to material type.
4. By using the material type we create material master record.
5. In material master record we need to specify valuation class.
6. To Valuation class we need to specify the account determination with the combination of valuation modifier and general modifier.
7. By using the material master created, we using purchase order.
8. In purchase order we need to specify material master record, vendor master record, quantity, rate and payment terms.
9. By using PO goods receipt will be done.

Inventory a/c dr 1000 – Qty x rate from PO – BSX

To GR/IR Clearing a/c 1000- WRX

10. Invoice verification will be done with reference to GR.

GR/IR clearing a/c dr 1000 – Qty x Rate

To Vendor a/c 1000 – From PO

Raw material consumption:

RM Consumption a/c dr 500 – Qty x Rate – GBBVBR

To Inventory RM a/c 500 – BSX

Production receipt:

Finished goods a/c dr 1000 – Qty x Rate from PO – BSX

To Inc / Dec in stock a/c 1000 – GBB

Delivery:

Cost of goods sold a/c dr 1000 – Qty x Rate from sales order – GBB

To Finished goods a/c 1000 – BSX

Where do you assign valuation class in material master record?

→ In Accounting 1 View.

Where do you assign profit centre in material master record?

→ In Costing 1 Tab.

### **TRANSACTION KEYS:**

- BSX – For Inventory postings.
- WRX – For goods receipt & Invoice receipt.
- GBB – For offsetting transactions.
  - ✓ VBR – Consumption.
  - ✓ ZOF – Production receipt with our production order.
  - ✓ AUF – Production receipt with production order.
  - ✓ VAF - Delivery where revenue a/c created as a cost element / Sales a/c.
  - ✓ VAX – Delivery where sales a/c not created as a revenue a/c.

**How many payment terms we can assign in vendor master record?**

- We can assign 2 payment terms.
1. At Company code segment.
  2. Purchasing organization segment.

What is the differences between payment terms assigned in company code segment &

Purchase organization segment?

If invoice is generated with out PO from FI payment terms will be  
Extracted from the company code segment. If invoice is generated with PO form MM  
Purchasing organization segment payment terms will be extracted.

**What is the transaction code to see material document?**

→ MB03

To see stock ledger?

→ MB5B

### **SCENARIOS:**

1. Moving average price – Full stock is available  
PO Qty : 10 , Rate : 10  
GR 10 x 10 = 100  
IR 10 x 11 = 110  
GR – Inventory RM a/c dr 100  
    To GR / IR clearing a/c dr 100  
IR – GR / IR clearing a/c dr 100  
    Inventory RM a/c dr 10  
    To Vendor a/c 110
2. Moving average price – No stock is available  
PO 10 x 10 = 100  
GR 10 x 10 = 100  
IR 10 x 11 = 110  
GR – Inventory RM a/c dr 100  
    To GR/IR clearing a/c 100  
IR – GR/IR Clearing a/c dr 100  
    Price difference a/c dr 10  
    To Vendor a/c 110
3. Moving average price – Partial stock is available.  
PO – 10 x 10 =100  
GR – 10 x 10 = 100  
IR – 10 x 11 = 110  
GR – Inventory RM a/c dr 100

To GR/IR Clearing a/c 100  
IR – GR/IR Clearing a/c dr 100  
Price Differences a/c dr 5  
Inventory RM a/c dr 5  
To Vendor a/c 110

**FI TO MM ACCOUNTING ENTRIES WITH EXCISE:**

GR – Inventory RM a/c dr 100  
To GR clearing a/c 100  
CENVAT a/c dr 10  
To CENVAT clearing a/c 10

IR- GR/IR clearing a/c dr 100  
CENVAT Clearing a/c dr 10  
VAT Receivable a/c dr 5  
To Party a/c 115.

**1. GROUP TOGETHER VALUATION AREAS:**

Valuation group code is a group of valuation areas. It makes easier to set automatic account determination.

**2. DEFINE VALUATION CLASS:**

Valuation class is used to assign GL Accounts for automatic postings.  
Valuation class assigned in material master.

**What is Valuation Modifier?**

It is nothing but group of valuation areas, which helps us to maintain automatic account assignment.

**What is General modifier?**

It is used for offsetting transactions Ex: Raw material consumption, delivery etc.

### What is Movement type?

It is similar to postings keys in FI. It specify the movement of materials.

Ex: Issuing, Material receipt etc.

### What is transaction Keys?

It is used to assign automatic account assignment ex: BSX, WRX.

### What id GBB?

It is used for offsetting transactions.

## **FI TO SD PROCESS FLOW / OTC ( ORDER TO CASH FLOW)**

- Enquiry.
- Request for quotations.
- Quotations.
- Sales order.
- Delivery.
- Billing.

## **FI TO SD CUSTOMIZATION FLOW:**

1. In VKOA transaction we have to specify revenue account determination.
  - Application area – V – Sales & Distribution.
  - Condition Type – KOFI – Accounting determination.
  - Chart of Accounts – FSL.
  - Sales organization – FSLP.

With the combination of account assignment group for customer master record whether domestic / Foreign account assignment group for material master record to the accounting key ERL (Revenue).

2. The accounting key ERL is assigned to condition type – PR00.
3. The condition type PR00 is maintained in pricing procedure.

4. The pricing procedure assigned to customer master record, sales document type and billing document type.
5. The account assignment group for customer has to be assigned in customer master record. Account assignment group for material master record has to be assigned to material master record.
6. By using this customer master record & Material master record we create sales order – VA01. Note: No accounting entry will be generated at the time of sales order creation.
7. Delivery will be done with reference to sales order – VL01.

Cost of goods sold a/c dr 5000 – Qty x Rate from sales order- GBB VAY

To Finished goods a/c 5000 – BSX.

8. Billing: will be done with reference to Delivery.

Customer a/c dr 1000

To sales a/c 1000

### How to do revenue account determination analysis?

- ➔ Note : When billing document was created no accounting document created.
- ➔ Go to TC : VF02 give the billing document no from menu select environment  
-> Account determination -> Analysis ->Revenue Accounts-> Expand the  
condition type PR00.

### At what level COPA document will be generated?

- ➔ At the time of billing document creation.

How billing document / SD Document to COPA assigning value fields to  
condition type – KE4I.

## NEW GENERAL LEDGER

### FEATURES IN NEW GL ACCOUNTING:

1. Segment wise reporting.
2. Parallel Currencies.
3. Parallel Ledgers.
4. Real time Integration between CO to FI.
5. Document Splitting.
6. Cost of sales Accounting.

### Difference between Classical Ledger and New General Ledger.

1. If we implement new GL no need to implement profit center accounting.
2. Dummy Profit centre is no longer valid.
3. IMG navigation path also slightly different.
4. No need to maintain external numbers for depreciation posting.

### What are the tables in new GL Accounting.

1. FAGLFLEXT  
FA – Financial Accounting  
GL – General Ledger  
FLEX – Flexible  
T – Total.
2. FAGLFLEXP  
P – Plan line items
3. FAGLFLEXA  
A- Actual line items

### Define Ledgers for New GL Accounting

#### What is Ledger?

A Ledger is used for reporting purpose.

#### What is Leading Ledger?

It is based on the same accounting principle as that of the consolidation financial statement. The leading ledger integrated with all subsidiary ledgers and updated in all the company codes. We must specify one ledger as the leading ledger.

#### What is Non leading Ledger?

Non Leading Ledgers are parallel ledgers to the leading ledger the non leading ledgers must activate company code wise for local reporting purpose.

#### How many currencies we can maintain to one company code?

Apart from one Local currency, we can maintain Parallel Currency.

#### Define and activate Non leading ledgers?

Note: First currency of non leading ledgers is always currency of the leading ledger.

#### What is Ledger Group?

Ledger group of a group of ledgers for the purpose of applying the same functions and processes as a whole.

#### What is Representative Ledger?

The Representative ledger is used to determine the posting period and to check whether the posting period is open / not.

If the posting period of a representative ledgers is open the system automatically post the values in all the ledgers assigned to the group.

Even if the posting period of the non representative ledger is closed, you can not maintain more than one representative ledger.

**Note:** We can maintain one representative ledger. Representative must be a leading ledger.

**NEW TRANSACTION CODES:**

<b>NEW</b>	<b>OLD</b>
➤ FAGLB03	FS10N
➤ FAGLL03	FBL3N
➤ FB50L	FB50
➤ FAGL_FC_VAL	F.05
➤ FAGLGVTR	F.16

What is the path to deactivate the classic GL?

Path: SPRO-> Financial Accounting (New) -> Financial Accounting Global Settings (New) ->

Tools -> deactivate update of classic ledger (TC: GLTO).

**How many currencies can we assign to a one company code?**

A company code can have only one currency as its local currency. Apart from that we can maintain two more parallel currencies. Local currency is nothing but the currency key which is created at the time of company code creation. Foreign currency means apart from the local currency, it might be group currency or global company currency, index based currency, hard currency in case of fluctuations. So two more currencies we can maintain for reporting purpose for each and every company code. Group currency is defined at client level. Global company code currency is defined at company (Consolidation Company).



**Item Category:** It is nothing but group of GL accounts, instead of defining splitting rules for each account individually, the line item category groups all the GL accounts together e.g. 20000 – expenses, 30000 – revenues, 01000 – balance sheet, 03000 – vendor.

**What is splitting method:** It is the main key to activate the splitting in the new GL. It contains the list of splitting rules for all the business transactions.

**Inheritance check box:** If this indicator is set the account assignment objects (profit center/segment/cost centers) will be designed in the document from the other line item.

### **Real Time Integration of CO with FI**

During allocations in Controlling, most of the postings created do not affect Financial Accounting. These postings do not update any G/L account transaction figures; they are postings within Controlling. If, however, an allocation in Controlling leads to a change in the functional area or any other characteristic (such as Profit Center or Segment) that is relevant for evaluations in Financial Accounting, a shift occurs between the affected items in the profit and loss statement. For this reason, this information has to be transferred to Financial Accounting. This reconciliation between Controlling and Financial Accounting takes place by means of real-time integration.

As a result of real-time integration, all Controlling documents that are relevant for General Ledger Accounting are transferred from Controlling to General Ledger Accounting in real time. This means that Financial Accounting is always reconciled with Controlling.

A document is created in Financial Accounting for each posting in Controlling. This means that the detailed information contained in the CO documents is always available in reports in New General Ledger Accounting. This information can be sorted by the following, for example:

- Functional area
- Cost center
- Internal order

## CO-PA (Profitability analysis):

Generally the CO-PA is implemented by to view analysis the profitability at different ,different marketable segment in the organizational.

Ex:co.code,plant ,division etc...

How many CO-PA we have in SAP?

Two types 1.account based CO-PA 2.costing based CO-PA.

1. account based CO-PA :In account based CO-PA since the data b/w FI and CO.since "All the values are stored in the G/L accounts."

2. costing based CO-PA: It represent cost and revenues and revenue deductions for internal controlling report ing purpose.

**Q) What is data structure (characteristics and value fields)?** A) We use the term called Data Structure and it basically consists of two things: characteristics and value fields.

**Characteristics:** KEA5. It's a key by which you can analyse your profitability in the organization.

You can break down the profit logically such as product, customer, plant, sales organization, industry, sales employee, etc.

There are predefined characteristics known as fixed characteristics, in addition to the fixed characteristics up to 50 non-fixed characteristics can be added to the operating concern. To create with WW, min 4 and max 5 in length including WW.

**Value fields:** KEA6. These are nothing but the values associated with these characteristics

e.g. sales, raw material cost, cost of goods sold, labour cost, overheads, net profit, etc.

There are predefined value fields given by SAP, in addition to the value fields up to 50 value fields can be added to the operating concern. To create with VV, min 4 and max 5 in length including VV. Here we can create value based (amount) value field and quantity based value field.

**Maintain Operating Concern:** KEA0. We have accounted based PA or costing based profitability analysis or both. In India we use both. Accounting based COPA is permanently reconciled with financial accounting. Costing based COPA is a powerful approach providing greater analysis capability. There are three tabs in here. You select costing based or account based CO-PA or both. In attributes tab you give operating concern currency, company code currency check box select and

**Characteristic Values:** Here you maintain the values for the user defined Characteristics.

**Profitability segment:** This is a combination of characteristic values. Here there are segment level characteristics and Non segment level characteristics. In segment level characteristics drill down reporting is possible for the characteristics, system performance will be affected and in non-segment level characteristics drill down report is not available, we can get the report at line item level.

**Characteristic Derivation:** Derivation lets us find values for certain characteristics automatically based on the known values of other characteristics, where these characteristics are logically dependent on another. There are three types of derivation rules to create, they are: derivation rule, table lookup, move, clear, enhancement.

### Q. How the data comes form SD to COPA ?

By assigning the copa value fields to SD condition types in T.code (KE4I).

### Q. How the data comes form FI/MM to COPA ?

By maintaining PA transfer structure

## REAL TIME

### Q) What is your system landscape?

A) We are having Development server – Quality server – Production server.

In Development server we are having Sand Box client, Development client, FUT (functional Unit test) client along with ABAP test client. In quality environment we are having Integrating test client, UAT Client. In production Server we are having pre-production client and Production client.

Actually ASAP methodology is a 5 phased methodology. Phases:

1) Project preparation, 2) Business blueprint, 3) Realisation phase, 4) Final Preparation and 5) Go-live and Support.

1) **Project preparation:** Here they formulate a detailed project plan, map system landscape, required hardware and infrastructure, project preparation area. The project and plan of approach are discussed here during the kick-off meeting.

2) **Business blue print:**

- ✓ Conducting work shops (By Consultants)
- ✓ Preparation of GAP analysis documents.
- ✓ Preparation of Configuration documents.
- ✓ Writing functional specification.
- ✓ Preparation of all Deliverable documents like BPML, BPP, BDD.

Q) **Derivable Documents:**

1) **QADB: Question and Answer Data Base.** It's a key tool/template which is used to collect the business requirements/inputs from the business team during your implementation project.

- 2) **Base line configuration document:** It's a document which covers complete business requirements needs to be configured in sap system.
- 3) **GAP Analysis Documentation:** In case if any client's business requirement is not suitable or fit into standard sap settings is called as a fitment gaps. In project preparation phase we identify gaps.
- 4) **Business Process Procedures:** BPP means List of transaction codes being used in your company. This helps us to prepare end user manuals.
- 5) **End User Manuals:** It's a training documents or reference documents for end users to post the documents or to execute the documents. SAP TUTOR and UPK (User Productivity Kit) are the tools I used to create recordings. We do it in Quality server.
- 6) **BPML: Business Process Master List** is a most important deliverable document in the 2nd phase of the road map. In BPML all the business scenarios, processes and transactions that have been included in the project scope are listed in excel sheet. Then the BPML will be used for monitoring and controlling, configuration and for the test cases execution in the realisation phase.
- 7) **BDD: Business Design Document,** the objective of the BDD is to document in detail the scope of business scenarios/processes and process steps of the implementation project from the business and technical prospective.

**Functional specifications (FS):** It's a functional requirement document which includes objective of the development (business requirement), current business process, desired business functionality processing rules (development logic) and test scenarios.

**What is the tool you have used for preparation of end user manual?**

# UPK (User Productivity Kit).

## GAP 1

**A) GAP@1:** There is one GAP which I faced difficulty. We know the functionality of duplicate check right! What is the duplicate check? Whenever you post the transaction, the system will prevent you to post the transaction again and again in the normal transaction. When you are posting the transactions for your cross company code transactions, system doesn't restrict you to post the transaction again and again. So there will be so many payments. So many invoice documents will be there and there might be duplicate postings. That is the object.

How data of FI documents will be posted into SAP? Through manual feeding/excel feeding through LSMW and interfaces, these are the 3 ways. FI document means any vendor invoices, customer invoices, whenever posting cross company code transactions more than one document repeatedly, system doesn't control to post the repeated document. This is the problem right! My, client has multiple company codes under a legal entity. Whenever they do the business transactions of purchases or sales or some invoice postings within the company codes. In such case system based on

OBYA customisation, accounting entry will be picked up. For this we have developed the object, we have customised one table with couple of fields. Fields which are mandatory in the custom table, like company code, vendor a/c no., invoice date, amount, once we have posted the document the data will go and sit in the table, when you are posting next time, if the same fields are repeating, so system will mark them as duplicate invoice. It won't be processed into SAP.

### Realization phase

we start the configuration in the realisation phase, as per the business blueprint all the technical teams, technical development and functionality is done, then we can move these settings to quality system. There we test the Unit testing/integration testing/regression testing and we provide the training to the user and ask them to test all the scenarios. Once they accept the test (UAT), based on the signoff, we move all the requests from golden client to production client.

4) In **Final Preparation** I have involved in the cutover activities and done the testing then we start to upload all the master records and transactional data on the go live date.

### What are the cut over activities you involved?

1. Uploading Master data (FI Related)

GL Master, Vendor Master, Customer Master, Asset Master.

2. Uploading Transactional data.

Vendor open items, Customer open items, Asset balances, GL balances.

### What are the post go live activities?

1. Insure all the customizing request moved to production system.
2. Ensure that all number ranges for all the modules have been maintained in the production system.
3. Insure that operating concern has been generated.
4. Insure that all master data is loaded.
5. Insure that all transactional data is loaded.

### **PRE-REQUISTION:**

1. We need to switch off the legacy system 3 / 4 days before go live.
2. Inform the business don't create purchase orders, sales orders, goods receipt etc.
3. Need to create separate document types for uploading the balances ex: Vendor, Customers.
4. Need to create some clearing accounts for data uploading.

### **ENTRIES:**

**GL (only Balance Sheet A/c's)**

G/L A/c dr

To G/L Uploading A/c

**Customer:**

Customer A/c (Not G/L)

To Data take over A/c

**Vendor:**

Data take over A/c

To Vendor A/c (Not G/L)

**How did you upload GL Balances, Vendor & Customer balances?**

➔ Through LSMW by using TC: FB01.

How did you upload Asset Balances?

➔ Through LSMW by using TC: AS91.

**Note:**

# Data take over a/c will become zero on upload of all the balances.

# When we upload legacy Asset balances it doesn't update to the GL Accounts.

**What is the transaction code to set / Reset the reconciliation a/c for Assets.**

➔ TC : OAMK.

**Q) During cutover how the Assets are uploaded?**

A) When we going live all the legacy balances should be moved to SAP. So, for Assets, first we need to bring the asset master data, keep all the fields as optional in depreciation screen layout (Menu > Environment > screen layout > Depreciation areas) and we use Tr.Code AS91 in LSMW, where asset master record will be created and also the legacy data (along with asset values) will be uploaded into sap. Legacy data means, the total acquisition value and as on the date when we are uploading the data what is the depreciation and net book value we upload on that date. Here also there are two scenarios, start of the fiscal year and mid of the fiscal year. In my scenario starting of the fiscal year it happened. At that time we have to take only balance sheet items, like gross book value of the asset (assets) and then accumulated depreciation (liabilities). If it is in the mid of the fiscal year, then we have to take two items P&L item & depreciation and once you have recorded

the values in AS91, it won't directly hit the GL account. The integration between the FI-GL accounts and asset accounting will be configured in AO90 (accounts are assigned there). Once you have recorded AS91, it will upload only the balances of the asset books, than you can go to asset explorer where all the values are updated for the assets but this amount won't hit the GL accounts. Then for to hit the GL account, we have to enter the values in Tr.Code OASV like Vehicle A/C Dr. 200000 to Accumulated Depreciation A/C Cr. 50000 to Data takeover A/C Cr. 150000. With this OASV Tr.Code you don't have to change the recon account status of the GL's in Tr.Code OAMK.

5) **Go-live** date is nothing but the date which we start entering postings into SAP.

- ✓ Move Transport request in to production system.
- ✓ Provide continuous Support.
- ✓ Involved post implementation support activities.

**Total team strength:** 18; FI team strength: 4 initially customization at testing phase another 2 members so total 6 members team. Two are working on projects, one on change request and one on incident wise, one on onsite coordinator etc.

**Q) What all work you did in your initial support and maintenance project:**

A) Presently I am providing Production Maintenance Support. I am involving in the day to day activities like solving the tickets whatever the end users are facing based on the incident management; I take up daily status calls to discuss internal challenges. Configuring the new settings to the existing system, configuring the system by new add-on requirements as per the process, maintain all the documentation as per the process and update the documents in the share drive and update the configuration documentation with the changes, Functional specifications for new reports and new add-on programs. These are the kind of the activities I have done in the support project. I also work on change requests; these are the level 3 and level 4 kind of activities. I prepare end user manuals and give training.

Ticketing tools **Service now**

**Q) What is the SLA in your project?**

A) If it's critical, then you must resolve in one hour. High: within one day. Medium: within 3 working days. Low: within 10 working days. Acknowledgement is if it's critical: 10 minutes. High: 1 hour. Medium and low: within 1 day.

Change Request: is change request management which means configuration

changes. A request from user to make changes to the existing system in terms of

new configuration activity or new development object is called change request. No impact CR and normal CR. In normal CR also there are 2 types i.e. base line CR and Capacity CR. Base line CR is less than 8 working days and Capacity CR is

greater than 8 working.

## 1 Types of testing:

Unit testing, Integration testing, Regression testing, Negative testing, User acceptance testing (UAT), Performance testing.

**Unit Testing:** It is nothing but a piece of testing. Means, where we perform testing for one object/transaction is called as a unit testing. E.g.: Create G/L master record, Post G/L document, delete cost element, etc.

**Integration testing:** It's a kind of testing where we conduct testing for more than one object/transaction is called an integration testing. E.g.: PTP cycle (procure to pay/FI to MM process), OTC (order to cash/FI to SD process), Automatic payment program (APP), etc.

### Q) Where do you conduct unit testing and integration testing?

A) Unit testing is performed in development server in golden test client (in realization phase).

Integration testing is performed in quality server (in final phase).

### Q) What is the tool that you have used for testing in your company?

A) HPQC (HP Quality Center). Version11

3) **Regression Testing:** When we develop / configure any new objects perform testing for existing object to check whether impacted / not is called regression testing.

Ex: New Company code & Old Company code.

When we configure settings for new company code perform testing for New Company code.

### 4) **User Acceptance Testing:**

Perform the testing by user to check whether this object is working properly or not.

5) **Negative Testing:** Perform the testing with Negative values.

Ex: - Test A/R Perform testing with A/P Transaction codes.

If we develop any program for any specific company code, perform the testing the object with another company code.

6) **Performance Testing:** This Performance testing has to be performed by BASIS team, to check the system performance and to specify the time limit for execution of programs.

## Controlling:

Controlling and its organisational elements: Controlling area: This is used for internal reporting purpose. In CO organisational hierarchy the highest node is controlling area.

### Q) What are the prerequisites to attach multiple company codes to one controlling area?

A) All company codes must have to use same chart of accounts. All company codes must maintain same fiscal year variant. To generate the financial statements as per the group, you need to use same fiscal year for both company codes, by implementing New GL you can maintain separate Fiscal year variant, posting period variant as per legal requirement, i.e. we maintain parallel ledger to maintain it like that

**Cost element accounting:** To update FI records GL accounts are required and to update CO records cost elements are required. There are 2 types: primary and secondary.

### Primary cost element:

Is nothing but GL expenditure accounts. Posting to primary cost element is possible.

**Secondary cost element:** These are other than GL accounts. Postings for secondary cost elements are not possible, these are used for allocations. In the month end we allocate DEPTO costs to DEPTM and DEPTN by using secondary cost element. When we create cost element we have to specify cost element category.

### Primary cost element category:

1 – Primary cost/cost reducing revenues. This is used for cost expenditure accounts.

3– Accrual/deferral per surcharge. This is used for month end provisions only in CO.

11 – Revenues. This is used for income accounts.

12 – Sales deduction. This is used for expenditure accounts like trade discounts/sales commission where profitability analysis (COPA) module is implemented.

22 – External settlement. This is used for allocation of costs from internal orders to GL accounts/assets CO to FI.

### Secondary cost element category:

21 – Internal settlement. This is used for allocation of costs from IOs to cost centers (CO to CO).

31 – Order/project results analysis. This is used for work in progress in product costing.

41 – Overhead rates. This is used for RM overhead rate.

42 – Assessment. This is used for allocation of primary cost postings and secondary cost allocations from one cost center to another cost centers.

43 – Internal activity allocation. This is used for calculation of activity types in product costing. E.g.: machine hour rate/ labour hour rate.

### Cost center accounting:

This is used to view department wise costs like production dept, service dept, admin dept, etc. When we create cost center we have to create under cost center standard hierarchy. We have to specify cost center category while creating cost center like whether it is a production department or service department. To see all the cost centers data at a time we can create cost center group and assign respective cost centers to cost center group.

**Cost center category:** Whether the cost center belongs to production / sales / administration / services / material etc.

### Accrual orders:

This is used for month end provision only in CO. This is used for irregular expenses like bonus, leave travel allowance, gratuity, leave encashment, etc. Due to accrual orders a document will be generated only in CO. Business transaction KAZI. Cost element category should be 3 (accrual/deferral per surcharge). For this we maintain overhead structure in SPRO and calculate accruals in KSA3.

### Statistical key figure:

This is used for allocation of costs from one cost center to other cost centers. E.g., employee/area/telephone calls. Business transaction: RKS. There are two types of stat. Key figures, fixed values and total values. Fixed values are nothing but the values for all periods are equally divided. If it's total values then every month we have to enter the values. To create SKF: KK01, to enter SKF: KB31N.

**Activity types:** Activity types are activities provided by a cost center. E.g. machine hours/labour hours. They are measured in units of time or quantity. They are used to allocate costs from one cost center to another cost centers or from cost center to production orders. Tr.code:KL01.

**Activity based costing:** (Activity independent planning and activity dependent planning) Activity independent planning is it covers both primary and secondary costs but doesn't refer to a specific activity type. We plan only fixed costs. And in activity dependent planning it covers both primary costs and secondary costs and it refers to specific activity type, here we can plan fixed costs as well as variable costs. Activity independent/dependent

planning (secondary cost element): KA06. Creation of activity type i.e. labour hours: KL01. Planning cost center wise: KP06. Planning activity hours i.e. labour hours: KP26. Plan activity price i.e. labour hour rate calculation: KSPI.

**Direct activity allocation:** Direct activity allocation is based on hours supplied by sender cost center and indirect activity allocation is allocation of cost based on receiver cost center. Direct activity allocation steps: posting of transaction FB01L – Salaries with amount 720000 to cost center DEPTO (Labour/service) to outstanding expenses, enter actual activity price KBK6.

**Allocation structure:** OKO6 Allocation structure contains assignments (types of costs) and source and settlement cost elements. This is actually a tool that allocates the costs incurred on a sender by cost element or cost element group, generally this is used for settlement and assessment of cost.

**Settlement Profile:** OKO7 Settlement profile is a requirement for creating a settlement rule. In each settlement profile we specify the parameters like a) valid receivers (GL a/c or Cost Center/Order/Fixed asset/material etc.), b) default value for settlement structure. c) Specify the allocation structure which carries the cost, d) Specify the allocation basis (ratio/%/amount), e) maximum number of distribution rules, residence time for settlement doc. Settlement rule: Means “in settlement profile we specified the receiver is Asset”. But we didn’t specify which asset and how much percentage at what level you are going to specify. That is going to be maintained in the internal order level in the settlement rules.

**Planning Profile:** planning profile contains the layouts, for example: we can list out multiple layouts. For example: cost center, cost element, activity type’s period, different layouts we can define it. SAP has already provided one standard planning profile, which contains multiple screen layouts and we can use it. Apart from that we would like to create our own planning profile also we create.

**“Budget Profile” what is it?** Budget profiles contain the attributes, which is used to maintain the budget availability control against the internal orders, where you can specify the activity control and rules. Even this budget profile settlement profile, planning profile, need to be maintained in Internal Order types.

### **Report Painter:**

Report Painter is the main tool for defining reports. All kinds of reports like FI reports, cost center accounting, internal orders, and profit center accounting, etc. We can create here quickly and easily across the rows and columns. We can copy standard reports and do minor changes or modify them, so as to suit the requirements of the clients if you need you can create new reports also.

## **VALIDATION:**

It is a process of checking values and the combination of values entered into the system.

The entered values are checked against a user pre defined values. If the statement is true system will allow you to post the data. If the statement is false system issue message

defined by user.

### At What level we can write validation?

- Document header level.
- Line item level.
- Complete document level.

What is the TC to create sets : GS01.

### 3 STEPS IN VALIDATION:

1. Prerequisite.
2. Check.
3. Message.
4. Errors

### Substitution Rules:

OBBH It's an automatic process of replacing values. In OBBH we maintain and GGB1 we configure. I am very familiar with valuation and substitution rule. Recently one very complex substitution rule I have written recently, actually we have a concept called parking document. Generally we park the document, then it will go for approval and later we post the document after approval. The system will take the posting date as per the document original date. My client actually wanted "boss, however the document has been posted one week back if I approve now the posting date should be posted with the current date, i.e. the date approved". For this we actually have written substitution rule, like; where the posting date is the company code date and also the transactions (means what are the parking documents we are going to post). Then the constant value is the posting date equals (=) transfer there are multiple objects are there, while writing the substitution rule (Constant, field to field and EXIT). Here field to field rule I have used here posting date should be = (equals to) system date, but here there is one amendment, one logic is there. The client has requested "boss, we have a document parked on 31'st Dec (they are following Jan to Dec fiscal year), which is the last period in that fiscal year and approved in Jan which falls in next fiscal year, which should not happen. The system for this should take posting date on Dec only." Because if they approve the document date in next month it is going to post in the next fiscal year which is wrong. So for this if there are any parked documents on 12th period, and if these documents are approved then the logic should not be applicable. For this purpose functionality is not possible. For this we have written functional specifications like one kind of small document and mentioned the business requirement to the ABAPer. ABAPer has written the "EXIT". The same EXIT we have used in the substitution rule for my company code. Scenarios: invoice reference no. = invoice document no.

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