1Z0-1054-22 Q&As

Oracle Financials Cloud: General Ledger 2022 Implementation Professional

Pass Oracle 1Z0-1054-22 Exam with 100% Guarantee

QUESTION 1

Which two statements are true regarding the Translation process? (Choose two.)

A. Any resulting offset from the translation is entered in the Cumulative Translation Adjustment account.

B. If necessary, before submitting the Translation process, the Revaluation process should be completed.

C. The Translation process should be run before posting Period Close adjustment entries.

D. The Translation process can only be used for translating the balances of Secondary ledgers.

E. The Translation process can only be used to translate balance sheet accounts.

Correct Answer: AB

According to Oracle documentation1, the following statements are true regarding the Translation process: Any resulting offset from the translation is entered in the Cumulative Translation Adjustment account, and if necessary, before submitting the Translation process, the Revaluation process should be completed. The Translation process enables you to translate balances from one currency to another for reporting purposes. The Translation process calculates any difference between the translated balance and the entered balance and posts it to the Cumulative Translation Adjustment account. The Revaluation process enables you to adjust balances denominated in foreign currencies to reflect current exchange rates. The Revaluation process should be completed before the Translation process to ensure that the balances are accurate. Therefore, options A and B are correct. Option C is incorrect because the Translation process should be run after posting Period Close adjustment entries. Option D is incorrect because the Translation process can be used for translating the balances of primary ledgers, secondary ledgers, and reporting currencies. Option E is incorrect because the Translation process can be used to translate both balance sheet accounts and income statement accounts.

QUESTION 2

Your company has a legal entity in the UK, US, and CanadA. They can all share the same chart of accounts but are required to transact and report in their local currency.

What is the minimum number of ledgers you need and why?

A. One, because they can all share the same chart of accounts

B. Three, because each requires a different currency

C. Two, because the US and Canada can share the same ledger because they are in North America

D. Four, because the UK has statutory requirements and you will need a separate ledger for statutory reporting

Correct Answer: B

According to Oracle documentation2, the minimum number of ledgers you need when your company has a legal entity in the UK, US, and Canada and they can all share the same chart of accounts but are required to transact and report in their local currency is three, because each requires a different currency. A ledger is a combination of a chart of accounts, calendar, currency, and accounting method. Therefore, option B is correct. Option A is incorrect because you cannot have one ledger for different currencies. Option C is incorrect because you cannot have two ledgers for different currencies. Option D is incorrect because you don\\'t need four ledgers for this scenario.

QUESTION 3

You operate in a country whose unstable currency makes it unsuitable for managing your day-to-day business. As a consequence, you need to manage your business in a more stable currency while retaining the ability to report in the unstable local currency. What would be your recommendation when defining ledgers?

A. Run Revaluation as often as you need to the more stable currency and report on the more stable currency\\'s balances

B. Run Revaluation to translate into Statistical Currency

C. Create a secondary ledger that uses a different chart of accounts that is denominated in the more stable currency

D. Use Journal-Level or Subledger-Level Reporting Currencies denominated in the more stable currency

Correct Answer: D

The recommendation when defining ledgers for a country whose unstable currency makes it unsuitable for managing your day-to-day business is to use Journal-Level or Subledger-Level Reporting Currencies denominated in the more stable currency. Reporting currencies are representations of a primary or secondary ledger in another currency that share the same chart of accounts, accounting calendar, and accounting method as their related ledger. You can use reporting currencies for online inquiries, reporting, and consolidation. Journal-Level or Subledger-Level Reporting Currencies capture transactional balances at the journal or subledger level and convert them to the reporting currency using daily rates. This allows you to manage your business in a more stable currency while retaining the ability to report in the unstable local currency. You do not need to run Revaluation as often as you need to the more stable currency and report on the more stable currency\\'s balances, as this is a process that adjusts foreign currency balances to reflect current exchange rates, not a way to define ledgers. You do not need to run Revaluation to translate into Statistical Currency, as this is not a supported option. You do not need to create a secondary ledger that uses a different chart of accounts that is denominated in the more stable currency, as this is an optional ledger that is linked to a primary ledger for the purpose of tracking alternative accounting representations of the same transactions.

Reference: Oracle Financials Cloud: General Ledger 2022 Implementation Professional Objectives-Consolidate Balances 12

QUESTION 4

Your customer uses Financials Cloud, Projects, Inventory, and SCM.

Which two statements are true regarding intercompany accounting for these products? (Choose two.)

A. Intercompany balancing rules in General Ledger need to be mapped with the intercompany configuration in each product

B. Intercompany Balancing Rules are defined centrally and applied across Financials and Projects

C. Each product has its own Intercompany Accounting feature that needs to be configured separately

D. In Financials Cloud, Intercompany Balancing Rules are used to balance both cross-ledger allocation journals and single-ledger journals

Correct Answer: BC

he two true statements regarding intercompany accounting for Financials Cloud, Projects, Inventory, and SCM are that

Intercompany Balancing Rules are defined centrally and applied across Financials and Projects, and that each product has its own Intercompany Accounting feature that needs to be configured separately. Intercompany Balancing Rules are defined in General Ledger Cloud and are used to balance cross-ledger intercompany journals between Financials and Projects. Each product also has its own Intercompany Accounting feature that enables intercompany transactions within the product or across products. For example, Payables and Receivables have Intercompany Invoicing, Projects has Intercompany Billing and Capitalization, Inventory has Intercompany Transfer Pricing, and SCM has Intercompany Drop Shipments. Intercompany balancing rules in General Ledger do not need to be mapped with the intercompany configuration in each product, as they are independent of each other. In Financials Cloud, Intercompany Balancing Rules are not used to balance both cross-ledger allocation journals and single-ledger journals, as they are only used to balance cross-ledger journals. Reference: Oracle Financials Cloud: General Ledger 2022 Implementation Professional Objectives-Configure and Process Intercompany 12

QUESTION 5

Which two statements are true regarding the Intercompany Reconciliation Report? (Choose two.)

A. You can only drill down to the general ledger journal and then from there to the subledger journal entry.

B. The report includes Ledger balancing lines generated when the primary balancing segment value (BSV) is in balance, but either the second or third BSVs are not.

C. The report can be run using an additional currency and conversion rate that converts all amounts into a common currency for comparison.

D. The report displays the intercompany receivables and intercompany payables balances in summary for a period.

E. The report displays all clearing company balancing lines for a period.

Correct Answer: BC

According to the Oracle documentation12, the Intercompany Reconciliation Report can be run using an additional currency and conversion rate that converts all amounts into a common currency for comparison (option C). The report also includes ledger balancing lines generated when the primary balancing segment value is in balance, but either the second or third balancing segment values are not (option B). Option A is incorrect because you can drill down to the general ledger journal, subledger accounting entry, and source receivables or payables transaction2. Option D is incorrect because the report displays the intercompany receivables and intercompany payables balances in summary for a period, and any differences between them1. Option E is incorrect because the report does not display clearing company balancing lines2.