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Topic: 1
Unified Scenario Simulation
Nordlys Kraft: First Year-End Close on S/4HANA Private Edition
Business Context
Nordlys Kraft AS is a Norwegian renewable-energy producer operating hydropower stations across the western fjords and an expanding onshore wind portfolio in the north. The group runs several legal entities: a Norwegian parent, a Swedish trading entity that sells surplus generation into the Nordic power exchange, and a small German service company that maintains turbine assets on contract. Each entity reports under local statutory rules, while the group consolidates under IFRS. Energy revenue is volatile, settlement currencies span NOK, SEK and EUR, and treasury hedges a portion of cross-border power sales.
Implementation Background
Over the past year the group completed a system conversion of its long-running ERP onto SAP S/4HANA Cloud Private Edition, retaining historical financial data and moving to a single client for all three entities. The conversion was chosen over a greenfield build to preserve open items, asset histories and prior-year balances. The project team adopted a fit-to-standard posture and kept enhancements on governed extensibility layers, but several finance settings were carried forward from the legacy design rather than re-validated against the new ledger model.
Reporting Landscape
Group controllers require complete balance sheets and profit-and-loss statements per profit center and per segment, because regulators and the group treasury both demand dimension-complete views of the generation, trading and service lines. The conversion activated a ledger model intended to carry both the local valuation and the IFRS valuation in parallel. Management accounting objects are assigned to the generation and turbine assets so that depreciation flows to the correct reporting dimensions.
Close Preparation
The finance organization is now preparing its first full year-end close in the new system, and the close calendar is being orchestrated centrally rather than run ad hoc by each entity as before. During trial runs of the period-end steps, controllers noticed that a handful of cross-entity journal postings produced statements that did not balance when sliced by profit center, even though the company-code-level trial balance was correct.
Currency Observations
Treasury reviewed the open receivables from the Swedish trading entity, denominated mostly in EUR against power buyers in continental Europe. After the period-end currency step ran, some open items still carried their original booking rate in the reporting view, while others had been revalued. A separate working list of receivables grouped by remaining term did not reconcile to the aged-items report that the previous system used to produce.
Asset Observations
The asset accountants ran the periodic asset steps for the hydropower fleet. Several recently capitalized turbine components, transferred during the year from an assets-under-construction collector, showed depreciation in the local area but no corresponding values in the parallel area used for IFRS. A second group of refurbishment costs that the business intended to capitalize sat unsettled on the construction collector at the cut-off date.
Posting Control Observations
The Swedish entity posts most of its trading documents through a shared document type, and a recurring set of manual adjustment entries was being keyed directly to balance-sheet accounts at period

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end. Some of those adjustments needed to land only in the IFRS valuation, not in the local books, but the trial postings appeared in both. Controllers also found that a small number of statutory-only entries had been blocked during a closed posting interval, while a parallel set of entries for a different account range had gone through unexpectedly.

Governance Pressure

The CFO has set a hard internal deadline for the audited group statements and wants the close sequenced and monitored so that no entity can start a downstream step before its prerequisites complete. At the same time, the controllers are under pressure to clear the dimension-balancing and currency anomalies without introducing manual workarounds or uncontrolled core changes that would jeopardize the clean upgrade path the group committed to during the conversion.

Validation Expectation

Leadership expects the team to identify the root causes behind the dimension-incomplete statements, the inconsistent currency treatment, the missing parallel asset values and the selective posting blocks, and to correct the underlying configuration and process sequence rather than patch the symptoms. The first close must produce auditable, dimension-complete, multi-valuation statements that the group auditor can trace end to end.

Your assignment

You are acting as the financial accounting configuration consultant for Nordlys Kraft AS in its converted SAP S/4HANA Cloud Private Edition system. Three legal entities share one client, report under local rules, and consolidate under IFRS with parallel valuation. You are supporting the group's first year-end close. Work within the standard configuration and the governed extensibility layers; do not introduce uncontrolled core changes or manual workarounds that break auditability. Where exact technical identifiers are not provided, work by the function and its configuration intent

1. CHALLENGE 1 — Producing Dimension-Complete Statements Through Document Splitting

• Review the converted document-splitting configuration and confirm which splitting characteristics are active and which are defined as mandatory for the dimensions the group must report.
• Verify that the postings failing to balance per dimension are reaching the splitting logic, and determine whether the document types and item categories involved are correctly classified for splitting.
• Confirm zero-balance behavior so that each balancing dimension nets to zero within every document.
• Re-validate the converted design against the new ledger model rather than reclassifying balances after the fact.

Checkpoints

• A trial statement balances per profit center and per segment, not only at company-code level.
• Cross-entity documents show split, balanced line items across the reporting dimensions.
• No manual reclassification is required to make the dimension slices balance.

2. CHALLENGE 2 — Correcting Period-End Foreign Currency Valuation of Open Items

• Establish the scope and method of the period-end foreign currency valuation so that all in-scope open items in foreign currency are revalued on a consistent basis.
• Confirm whether the open items that retained their booking rate were excluded from the valuation scope or processed under a different setting.
• Run the valuation and then perform the term-based regrouping of receivables and payables as a distinct step, in the correct order.
• Reconcile the regrouped working list to the aged open-item view.

Checkpoints

• All in-scope foreign-currency open items reflect a consistent revaluation in the reporting view.
• The currency valuation and the regrouping are executed as separate, correctly sequenced steps.
• The regrouped list reconciles to the aged open-item report.

3. CHALLENGE 3 — Restoring Parallel Valuation in Asset Accounting

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• Examine how each depreciation area is defined to post and which areas serve the parallel IFRS valuation, and confirm that capitalized assets are assigned values in every required area.
• For the turbine components transferred during the year, confirm the transfer and settlement path so values exist in both the local and parallel areas.
• Identify the refurbishment costs left on the construction collector and complete settlement to the final assets before treating them as in service.
• Re-run the periodic depreciation step and verify postings in each area.

Checkpoints

• Depreciation posts in both the local and parallel areas for the affected assets.
• Construction-collector costs intended for capitalization are settled to final assets before cut-off.
• No manual journal is used to fabricate the missing parallel-area values.

4. CHALLENGE 4 — Directing Manual Adjustments to the Correct Ledger Group

• Determine which manual period-end adjustments belong to a single accounting principle and which are shared across all valuations.
• Post the principle-specific adjustments so they affect only their intended valuation, and post shared adjustments so they affect all ledgers.
• Confirm that an IFRS-only adjustment does not appear in the local statutory view.
• Keep the entries within standard posting functions without uncontrolled enhancements.

Checkpoints

• An IFRS-only adjustment is reflected only in the IFRS valuation.
• Shared adjustments are reflected consistently across all ledgers.
• The local statutory result is not distorted by valuation-specific entries.

5. CHALLENGE 5 — Orchestrating the Close Sequence and Posting Periods

• Review the posting-period control to confirm which account ranges and authorization groups are open for the close, and align the open intervals to the entries the close requires.
• Diagnose why a statutory entry was blocked while an entry to a different account range posted, considering the period and account-range settings.
• Define the close sequence so each dependent step is gated by completion of its prerequisites across the three entities.
• Use the central close orchestration to monitor and control the sequence rather than letting entities self-pace.

Checkpoints

• Required statutory entries can post in the intended interval, and unintended ranges remain controlled.
• Dependent close steps cannot begin before their prerequisites complete.
• The close runs as a centrally monitored, controlled sequence.

Question: 1

CHALLENGE 1 — Producing Dimension-Complete Statements Through Document Splitting

Cross-entity documents balance at company-code level but the statements do not balance when sliced by profit center, while single-entity operational postings split correctly.
What is the most likely root cause the consultant should investigate first?

A. The document types used for the cross-entity entries are not classified for splitting in a way that derives and balances the profit center on every line, so those documents bypass the dimension logic that the operational postings use.

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B. The fiscal year variant assigned to the company codes differs between entities, so the cross-entity documents post into mismatched periods and cannot be balanced by dimension at all.
C. The currency types active in the ledger were reduced during conversion, so cross-entity documents lose the dimension values when translated into the group currency view.
D. The profit centers used by the trading entity were marked for deletion after conversion, so postings to them are silently redirected to a default profit center and then quietly excluded from the dimension that the balanced statement is built on at reporting time.

Answer: A

Explanation:
Dimension-complete statements depend on every line in a document carrying and balancing the splitting characteristic; if the cross-entity document types or item categories are not classified for splitting, those documents skip the logic that the working operational postings rely on. Company-code totals stay correct because the document still balances overall, but the profit-center slice does not net to zero. The fix is to re-validate the converted splitting classification, not to reclassify balances afterward.

Question: 2

CHALLENGE 1 — Producing Dimension-Complete Statements Through Document Splitting

The consultant confirms splitting is active and the characteristics include profit center, yet a balancing dimension still does not net to zero inside individual cross-entity documents.
Which configuration aspect most directly explains a dimension that fails to net to zero within the document?

A. The aged open-item report was generated before the splitting run, so it shows pre-split balances that no longer match the document-level dimension totals after posting.
B. The zero-balance setting for the balancing characteristic is not enforced, so the document is allowed to post even though the dimension does not net to zero within it.
C. The exchange rate type used for the document differs from the one used for the statements, so rounding leaves the dimension slightly unbalanced inside the document.
D. The segment was derived from the profit center after posting, so the document balances on profit center but the derived segment introduces an offset that breaks the dimension.

Answer: B

Explanation:
For a balancing characteristic to produce dimension-complete statements, the document must be forced to net to zero on that characteristic at posting time; without zero-balance enforcement the system permits a document whose dimension does not balance, which is exactly the observed symptom. Enforcing zero balance on the balancing characteristic restores per-dimension balance at the document level.

Question: 3

CHALLENGE 1 — Producing Dimension-Complete Statements Through Document Splitting

A controller proposes posting a manual reclassification journal each period to force the profit-center slices to balance before statements are produced.
Why is this approach the weaker choice for this group?

A. It posts to the wrong ledger group, so the reclassification would only correct the local valuation and leave the IFRS dimension view unbalanced each period.
B. It would require opening a closed posting interval for every entity each period, which the centrally monitored close orchestration is specifically designed to prevent so that no step posts outside its controlled, sequenced window.
C. It re-runs the foreign currency valuation as a side effect, which would revalue open items a second time and distort the receivables that treasury is already reconciling.
D. It masks the configuration root cause with a recurring manual workaround that undermines auditability and the clean upgrade path the group committed to, instead of fixing the splitting classification.

Answer: D

Explanation:
The dimension imbalance is a configuration defect in the converted splitting design, and a recurring manual reclassification only hides it while creating audit exposure and drift from clean-core discipline. The group explicitly wants root-cause correction without manual workarounds, so re-validating the splitting classification is the appropriate path.

Question: 4

CHALLENGE 1 — Producing Dimension-Complete Statements Through Document Splitting

Single-entity operational postings in the generation line split correctly by profit center, confirming the base splitting framework works for ordinary documents.
What does this most directly tell the consultant about where to focus the dimension investigation?

A. The base splitting framework is functioning, so the defect is most likely in how the specific cross-entity documents are classified or balanced for splitting rather than in the framework itself.
B. The splitting framework is irrelevant here because ordinary operational postings never actually use document splitting at all, so the cross-entity dimension failure must instead come entirely from the currency translation step.
C. The framework must be globally broken, so the entire splitting configuration should be rebuilt before examining any specific documents.
D. The operational postings succeed only because they avoid profit centers entirely, so the fix is to remove profit centers from the cross-entity documents as well.

Answer: A

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Explanation:
Because ordinary documents split correctly, the splitting framework itself is sound, which narrows the investigation to the classification or balancing behavior of the specific cross-entity documents that fail. This avoids re-engineering working configuration and targets the actual defect.

Question: 5

CHALLENGE 1 — Producing Dimension-Complete Statements Through Document Splitting

The group committed to a clean upgrade path during the conversion, and the controllers are weighing how to resolve the dimension and currency anomalies under that commitment.
Which course of action best respects both the close deadline and the clean-core commitment?

A. Apply uncontrolled core modifications to force the anomalies to resolve as quickly as possible, accepting the resulting upgrade risk on the basis that the hard close deadline must take priority over the clean-core commitment this period.
B. Defer the entire close until a future release upgrade is delivered, on the assumption that the upgrade will resolve the configuration anomalies without further work.
C. Correct the underlying configuration within standard settings and governed extensibility, so the anomalies are resolved at the root while preserving the upgrade-stable core for the deadline.
D. Resolve every anomaly with recurring manual journals for this close, and plan to address the configuration only in a later period once the deadline has passed.

Answer: C

Explanation:
Resolving the anomalies through standard configuration and governed extensibility fixes them at the root and keeps the core upgrade-stable, satisfying both the deadline and the clean-core commitment. This is the path the group's stated priorities require.

Topic: 2
Micro Skill Drill Exam

Question: 6

Nordwind Dairy Cooperative is standing up Financial Accounting on its SAP S/4HANA Cloud Private Edition system. A junior consultant has created a new company code for the cooperative's milk-processing entity and has maintained its address, currency, and fiscal-year settings. When the cooperative's general-ledger lead attempts to post the first test document in that company code, the system refuses the posting and reports that no chart of accounts has been determined for the entity. The lead confirms that an operating chart of accounts already exists on the system and is used by the cooperative's other entities. The consultant insists every required field on the company-code definition was completed and asks why posting still fails. The implementation team needs the new entity to begin recording G/L postings during the validation cycle, so the missing dependency must be identified and corrected before further test transactions are attempted in that company code.
Which action correctly resolves why the new company code cannot accept G/L postings?

A. Open the posting periods for the new company code so the entity accepts documents in the current period and the validation postings can be entered.
B. Assign the existing operating chart of accounts to the new company code so account determination resolves and the entity can record G/L postings.
C. Define a new chart of accounts dedicated to the milk-processing entity so its accounts stay separate from the other cooperative entities during validation.
D. Recreate the company code from scratch and re-enter the address and currency so the system rebuilds the entity with a valid posting profile that accepts documents.

Answer: B

Explanation:
A company code can only post G/L documents once a chart of accounts is assigned to it, because account determination depends on that assignment. The operating chart already exists and is shared by the other entities, so assigning it to the new company code restores account determination and lets the entity record validation postings. This addresses the actual missing dependency.

Question: 7

Nordwind Dairy Cooperative wants its financial statements to be complete at profit-center and segment level so it can report results by processing site within its SAP S/4HANA Cloud Private Edition system. During a validation review, the controlling lead notices that some balance-sheet line items, such as the payables arising from a cross-functional vendor invoice, do not carry a profit center on every line. As a result, a balance sheet drawn for an individual profit center does not balance on its own. The cooperative confirmed that profit centers and segments are defined and assigned to the relevant accounts, yet the line-level characteristics are still incomplete on documents that touch multiple assignments. The finance architect needs the General Ledger function that derives and inherits these characteristics onto all line items so that profit-center-level and segment-level statements can be produced correctly.
Which General Ledger function ensures all line items carry the profit center and segment so entity-level statements balance?

A. Configure validations on the affected accounts so postings without a profit center are blocked, forcing users to enter the characteristic before the document is saved.
B. Configure document splitting so line items are split and inherited by profit center and segment to produce complete sub-entity statements.
C. Open additional posting periods for the affected accounts so the documents repost with the characteristics and the profit-center statements then balance correctly.
D. Maintain additional profit centers and segments so more master-data values exist for the documents to use and the balance-sheet lines receive the missing assignments.

Answer: B

Explanation:

Document splitting is the General Ledger function that splits line items by characteristics such as profit center and segment and inherits them onto otherwise unassigned lines. With splitting configured for those characteristics, every line carries the assignment, allowing complete and balanced financial statements at profit-center and segment level. This resolves the stated root cause.

Question: 8

The closing team at Nordwind Dairy Cooperative is finalizing the prior month in its SAP S/4HANA Cloud Private Edition system. An accountant needs to post a late adjustment document dated in the prior period, but the system rejects the entry and reports that posting is not allowed in that period for the relevant account type. The team confirms the prior period was deliberately closed after the month-end run, while the current period is open and accepting documents. The cooperative's policy requires this specific adjustment to be recorded back in the prior period rather than the current one, and only the closing supervisor is authorized to permit such postings. The supervisor wants the period reopened in a controlled, temporary way so the adjustment can be entered without exposing the closed period to unrestricted postings by other users.
Which action allows the controlled prior-period adjustment to be posted as required?

A. Re-run the entire month-end closing program for the prior period so the period reopens automatically and the late adjustment can then be recorded by the team.
B. Disable period control for the company code so any open or closed period accepts documents and the supervisor can enter the adjustment without further restriction.
C. Reopen the prior period in the posting-period configuration, restricting it to the authorized group so only the supervisor can enter the adjustment.
D. Change the document date to the current open period so the adjustment posts immediately and the closed prior period remains untouched for all users.

Answer: C

Explanation:
Posting periods are opened and closed through posting-period configuration, which can restrict a temporarily reopened interval to an authorization group. Reopening the prior period for the authorized group lets only the supervisor enter the adjustment while other users stay blocked. This satisfies the policy and keeps the closed period controlled.

Question: 9

The accounts-receivable team at Nordwind Dairy Cooperative received a payment from a wholesale customer in its SAP S/4HANA Cloud Private Edition system. The incoming amount matches the total of several open invoices, and the accountant posted the incoming payment to the customer account. During a review, the team finds that the original invoices still show as open items on the customer's account even though the cash has been received and posted. The accountant confirms the payment document itself posted successfully and the customer balance is correct, but the invoices were never matched against the payment. The cooperative needs the customer's open-item list to reflect reality before dunning is run, because overdue notices would otherwise be issued for invoices that have already been paid. The accountant must take the correct action to resolve the open items.

Which action correctly removes the paid invoices from the customer's open-item list?

A. Exclude the customer from the next dunning run so the paid invoices are not selected for overdue notices while they continue to show as open on the account.
B. Reverse the incoming payment and re-post it so that the new posting automatically links to the open invoices and removes them from the open-item list during entry.
C. Post a manual adjustment that writes the open invoices down to zero so the customer's open-item list no longer displays them before the dunning run is executed.
D. Clear the open invoices against the posted payment so the matched items are set to cleared and drop off the open-item list.

Answer: D

Explanation:
Open-item clearing matches the posted payment against the corresponding open invoices and sets the matched items to cleared, removing them from the open-item list. Because the payment and balance are already correct, clearing is the precise step needed so the items no longer appear and dunning will not flag paid invoices. This resolves the root cause.

Question: 10

Nordwind Dairy Cooperative is extending its profit-center reporting in SAP S/4HANA Cloud Private Edition to show results for a newly opened cheese-maturing facility. A master-data specialist created a profit center for the facility but a colleague reports that postings to it are not appearing in the intended reporting dimension, and a balance sheet by segment does not show the new facility's results. The specialist confirms the profit center master record was saved with its name and basic data. The cooperative's reporting design groups profit centers under segments so that segment-level statements aggregate correctly, and other facilities already appear under their segments. The reporting lead wants the new facility's results to roll up to the correct segment without redesigning the existing structure, so the specialist must correct the master-data setup that drives this aggregation.
What is the correct master-data correction so the new facility's results aggregate to the intended segment?

A. Re-post the affected documents to a different existing profit center that already rolls up correctly so the facility's figures appear under that segment instead.
B. Assign the appropriate segment to the new profit center master record so its postings roll up and appear in segment-level statements as designed.
C. Create a new segment specifically for the cheese-maturing facility so its results are reported separately and no longer depend on the existing segment structure.
D. Define a substitution that fills the segment during posting for the facility's documents so the entries acquire the segment value at the moment they are recorded.

Answer: B

Explanation:

Segment-level aggregation is driven by the segment assigned to the profit center master record. The new profit center was saved without its segment link, so its postings do not roll up. Assigning the appropriate segment to the master record makes the facility's results appear under the intended segment, matching how the other facilities are set up. This corrects the actual master-data gap.

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