

Oracle NetSuite Accounts Payable Specialist Exam Demo

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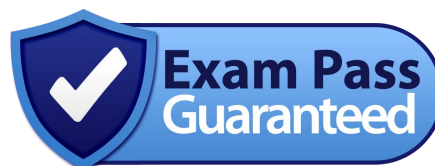
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QUESTION 1

You receive a vendor bill that includes both goods and freight charges. To accurately record the cost of inventory and expenses, what's the best practice in NetSuite?

- A. Post the entire amount to one expense account.
- B. Create separate line items on the vendor bill – one for inventory items and one for freight expense.
- C. Record the bill as a journal entry.
- D. Split the bill into two separate vendor records.

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

Explanation: In NetSuite Accounts Payable, you should itemize vendor bills by category. Inventory-related charges should use item lines linked to inventory accounts, while non-inventory charges like freight should go to expense accounts. This ensures correct accounting and accurate cost reporting. A single lump-sum (A) reduces transparency, while journal entries (C) bypass the AP process. Option D unnecessarily complicates vendor records.

QUESTION 2

When entering a vendor bill, NetSuite automatically fills the "Terms" field. Where does this default come from?

- A. The company-level accounting preferences.
- B. The most recent bill entered in the system.
- C. The vendor record's payment terms setting.
- D. The subsidiary's currency settings.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

Explanation: The default payment terms for a vendor bill are inherited directly from the vendor's record. These terms determine the due date and potential early-payment discounts. Company preferences (A) define defaults for new vendors, but the vendor record (C) overrides it. The system does not use past bills (B) or currency (D) to set terms.

QUESTION 3

A company wants to ensure that bills cannot be approved for payment until a three-way match (PO, receipt, bill) is complete. Which NetSuite feature enforces this?

- A. Bill Approval Routing
- B. Three-Way Match Enforcement
- C. Expense Categorization Rules
- D. Automated Payment Runs

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

Explanation: The Three-Way Match Enforcement feature compares vendor bills against purchase orders and

item receipts to confirm quantity and price accuracy before approval. This prevents duplicate or unauthorized payments. Bill Approval Routing (A) adds an approval layer but doesn't check PO/receipt matching. Options C and D handle other functions, not match validation.

QUESTION 4

A vendor issues a credit memo for a returned product. How should this be recorded in NetSuite?

- A. Enter it as a negative bill.
- B. Create a Vendor Credit and apply it against the related bill.
- C. Delete the original bill.
- D. Post a manual journal entry.

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

Explanation: Vendor Credits represent refunds or adjustments from suppliers. Applying the vendor credit to the original bill reduces the liability and keeps the audit trail intact. A negative bill (A) or journal entry (D) would distort AP reporting. Deleting the original bill (C) removes transaction history, violating accounting compliance.

QUESTION 5

Your company pays several small vendors weekly. What NetSuite feature lets you consolidate payments into a single batch for easier processing?

- A. Payment Batching via Bill Payment feature
- B. Manual check creation for each vendor
- C. Vendor Deposit Matching
- D. Saved Search Exports

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

Explanation: The Bill Payment (Batch Payment) process allows selecting multiple approved bills across vendors and generating payments in one batch. This simplifies processing, supports check runs, or electronic payments. Manually issuing checks (B) is inefficient. Deposit Matching (C) is for AR. Saved Searches (D) only report data.

QUESTION 6

You want to automatically calculate and apply early payment discounts when paying a vendor before the due date. Which configuration enables this in NetSuite?

- A. Enable "Auto Apply Discounts" in Accounting Preferences.
- B. Manually edit each bill to reflect discounts.
- C. Create a custom workflow for discounts.
- D. Post the discount via a separate journal entry.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

Explanation: The Auto Apply Discounts preference ensures NetSuite automatically calculates early-payment discounts based on payment terms (e.g., 2% 10 Net 30) and applies them during bill payment. Manual editing

(B) is error-prone; workflows (C) are unnecessary for this built-in function. Journal entries (D) complicate the reconciliation process.

QUESTION 7

A vendor is paid via electronic funds transfer (EFT). What must be configured before processing EFT payments in NetSuite?

- A. The vendor record must include bank account details and a valid payment method.
- B. The payment file should be manually uploaded to the bank's portal.
- C. The AP clerk must approve payments individually.
- D. The vendor must be marked as a customer.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

Explanation: For EFT, the vendor record must contain bank account details (routing and account numbers) and a payment method such as "EFT" or "ACH." This enables NetSuite to generate and transmit payment files automatically. Manual uploads (B) are possible but not a configuration step. Payment approvals (C) depend on workflow, and marking vendors as customers (D) is invalid.

QUESTION 8

You notice that a vendor bill has been approved and paid, but the invoice amount was incorrect. What is the correct corrective action in NetSuite?

- A. Delete the paid bill and re-enter it.
- B. Create a vendor credit for the overpayment or an additional bill for the underpayment.
- C. Post a manual adjusting journal entry.
- D. Edit the bill even after payment.

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

Explanation: Once a bill is paid, it becomes a closed transaction and cannot be edited or deleted. The correct process is to use Vendor Credits for overpayments or create an additional bill for underpayments. This preserves audit trails and maintains AP integrity. Editing (D) or deleting (A) violates system controls; journal entries (C) bypass AP reporting.

QUESTION 9

An AP specialist wants to see which bills are due next week for cash flow planning. Which report or tool provides this view?

- A. Accounts Payable Aging Report with custom date filters
- B. General Ledger Detail Report
- C. Income Statement
- D. Transaction Audit Trail

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

Explanation: The AP Aging Report, when filtered by due date or aging range, displays bills due in the coming

period. It's ideal for forecasting cash outflows and managing payments. The GL Detail Report (B) lists journal lines, not due dates. The Income Statement (C) summarizes expenses, not obligations. Transaction Audit Trail (D) is for history, not scheduling.

QUESTION 10

Your organization wants to track expenses by department for every vendor bill entered. What's the best way to enforce this in NetSuite?

- A. Enable and make the "Department" segment mandatory on transaction forms.
- B. Create separate vendor records per department.
- C. Enter department names in the memo field.
- D. Post department expenses via journal entry.

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

Explanation: Enabling Departments (a classification segment) and marking the field as required on transaction forms ensures all bills include departmental coding. This supports accurate reporting, budgeting, and financial analysis. Separate vendor records (B) cause duplication, memos (C) aren't reportable, and journal entries (D) bypass AP automation.