

Reliance SAP MM Consultant Interview Questions

How do you create a source list in SAP MM, and how is it utilized during the procurement process?

A source list in SAP MM is a list of a material's approved vendors. It ensures that only specified vendors are chosen throughout the procurement process. The source list is kept at the plant level and includes the validity dates for each vendor. This helps to oversee the procurement process and ensures that certified vendors provide consistent quality and price.

Could you clarify the distinction in SAP MM between a buy order and a purchase requisition?

An internal document called a purchase requisition (PR) is used to make requests for the acquisition of goods or services. The procurement procedure is started by it. A purchase order (PO), on the other hand, is a formal document that is sent to a vendor to acquire goods or services. A PO is a formal promise to buy, whereas a PR is a request.

Could you describe what a release plan in SAP MM is?

The approval procedure for purchase orders and requisitions in SAP MM is specified by a release strategy, which takes into account predetermined factors like the purchasing organization or the document's worth. It guarantees that procurement papers are reviewed and approved by the relevant departments or persons before they are finalized and sent to suppliers. Release strategies support control and conformance to internal authorization guidelines.

How do you manage SAP MM price conditions?

The cost or price of materials during procurement is determined by the pricing conditions in SAP MM. They consist of components like taxes,

levies, base pricing, and discounts. Condition records include pricing conditions that are automatically determined depending on variables like the vendor, material, quantity, or purchasing organization. Pricing condition determination logic and sequence are determined by SAP MM's pricing method.

How is vendor selection and assessment handled in SAP MM?

In SAP MM, vendor assessment is done to evaluate and choose the best vendors based on factors like pricing, delivery performance, and quality. Subjective judgments or quantifiable metrics, such as percentages of on-time deliveries or defect rates, may serve as the basis for the review. A favoured vendor list can be kept up to date, better terms can be negotiated, and procurement procedures can be improved overall with the help of vendor assessment data.

What is your approach to stock valuation in SAP MM?

The monetary worth of inventory items in the system is established via stock valuation in SAP MM. Several techniques, including standard pricing and moving average price, can be used to accomplish it. Standard pricing employs a fixed cost for valuation, whereas moving average price uses the average cost based on the commodities acquired. Accurate inventory management and financial reporting depend on valuation.

Could you elaborate on the SAP MM consignment concept?

In SAP MM, a consignment situation occurs when a vendor stores their items at the customer's location, but the seller retains ownership of the materials until they are used. The supplies are only paid for by the consumer when they are used. In SAP MM, consignment stock is monitored independently, and the vendor's obligation is determined by how much of the supplies are used.

Could you elaborate on SAP MM's batch management concept?

Materials that are manufactured or purchased in batches are tracked and managed using SAP MM's batch management feature. Every batch has a unique identifying number that allows it to be tracked through the

supply chain. Pharmaceutical and food production are two examples of businesses where batch management is critical to maintaining product traceability, quality control, and shelf-life management.

What vital factors should I consider while making a buy?

When buying, the following are crucial factors to consider:

- order unit
- material group
- base unit
- purchase group
- validity
- tax indicator for that material
- manufacturer's part number
- manufacturer

Could you please elaborate on the products' receipt in the SAP system?

The process of receiving the items occurs when the vendor processes the transaction and delivers the material and goods to the party who placed the order. When the material is provided during this period, the party who receives checks for the materials and items' quality and condition. The receipt is eventually posted following the verification.

What is the anticipated time for processing GR and delivery?

The number of business days in which the recipient is anticipated to receive the materials and goods is known as the scheduled delivery. After receiving the products and materials, the individual has a certain number of business days to check and store the material. This is known as the GR processing time.

What is Material Requirement Planning, and could you give me the code to get this list?

Material Requirement Planning, which comprises the planning of the information about the goods and materials, is the initial working

document from which the MRP controller begins work. One can use the code MD05 to access a single item.

What does the term "RFQ" mean?

Request For Quotation is shortened to RFQ. The vendors are given this form to fill up, which is a representation of the terms and conditions as well as the cost of the materials and goods. It includes information regarding the items, their amount, and the delivery date, together with the deadline for submitting the form.

How does CBP work?

CBP refers to the materials' historical consumption value. It is utilized to be aware of future requirements. The average need of the commodities may be computed based on prior service usage.

Which way do parked papers appear?

Documents that are parked are shown with the codes FB03 and FBV3. Whereas FB03 shows every posted sheet, FBV3 shows the parked sheets. If one wants to find out which papers require approval or completion, FBV3 is a helpful tool to have.

Which kinds of ERPs are there?

SAP, Microsoft Dynamics, PeopleSoft, Oracles, Siebel, and BAAN are among the several types of ERPs. These are a few of the several forms of enterprise resource planning.

Describe NetWeaver.

NetWeaver is an integrated technology that allows all MySAP group products to be used on a single SAP Web Application Server. The user benefits much from this technology, which is quite helpful. The ability for the business to access SAP-related data via mobile devices is one benefit of utilizing this. It saves time and money to do this as well. Many dollars that may be used to train a new user in the SAP client are saved if this is used.

What is metadata, transaction data and master data?

One can learn about the information included in data by reading metadata. This is also referred to as Meta Objects and provides a person with detailed information on the structure of the data. Metadata comes in a wide variety. There are several types of metadata, including administrative, statistical, reference, descriptive, and structural types. These kinds all serve distinct purposes inside systems.

Transaction data is simply information on the transactions that occur daily.

Master data offers vital details on the supplies, the staff, and even the clientele of that particular service. It can also be referred to as the reference data.

Describe the SAP MM inventory management procedure.

Tracking and controlling stock levels, movements, and values are all part of inventory management in SAP MM. Physical inventory counts, stock transfers, goods receipts, and goods problems are all part of the process.

Efficient inventory control guarantees ideal stock levels, reduces holding expenses, and facilitates precise financial reporting. To ensure inventory accuracy and efficiency, candidates should emphasize their familiarity with these responsibilities as well as their proficiency with SAP MM features.

In what ways do you apply data analytics as an SAP MM consultant?

Using data analytics in SAP MM facilitates decision-making. Analyzing vendor performance, inventory levels, and procurement trends are all part of this. Advanced analytics may be performed with tools such as SAP HANA and SAP BW (Business Warehouse).

Utilizing data analytics, you can anticipate demand, spot patterns, and manage inventory levels. This lowers expenses and boosts productivity.

As well as demonstrating their expertise with particular technologies, candidates should give instances of their use of data analytics in

decision-making. Assess their capacity to convert data insights into workable plans.

What techniques do you employ during physical inventory counts to guarantee inventory accuracy?

It takes careful planning to ensure inventory accuracy during physical counts. This includes arranging inventory locations, preparing the count in advance, and educating personnel on counting techniques.

Discrepancies found during the count are promptly explored. Following a count, any inconsistencies are examined to identify potential future mistakes and the inventory records are updated to reflect the real stock levels.

Applicants ought to exhibit methodically and stress the significance of precision and prompt updates. They should demonstrate their proactive attitude by discussing how to avoid similar differences in the future.

Which techniques do you apply to supplier relationship management?

Collaboration on improvement projects, performance evaluations, and frequent communication are all essential components of effective supplier relationship management. It's important to develop a collaborative attitude rather than a transactional one.

This entails holding regular meetings to go over performance indicators, quickly resolving any problems, and looking for methods to streamline operations and cut expenses.

Applicants ought to give instances of their prior effective supplier relationship management. Assess their capacity to establish enduring, mutually advantageous alliances.

Could you describe the procedures needed to create a material master record?

In SAP MM, there are several phases involved in creating a material master record. You must first gain access to the MM01 transaction code.

Next, you will choose the suitable material type, which dictates the properties of the material and the views that will be accessible.

After that, you complete the required information in several tabs, including Accounting, Purchasing, and Basic Data. Every tab has fields that are pertinent to particular departments. You save the entry after entering all the necessary data.

Seek out candidates who emphasize the significance of accurately inputting data and who go over each stage in detail. Also, they ought to highlight the many ways that departments make use of the material master record.

What is the purpose of split valuation in SAP MM?

Split valuation allows a company to value a material differently based on factors like origin, procurement type, or quality. This feature is useful for materials that have varying conditions or costs, such as raw materials procured both locally and internationally. By using split valuation, companies can manage different stock values for the same material.

How do you configure a valuation class in SAP MM?

The valuation class in SAP MM links the material to a general ledger account. To configure it, you must assign a material type to a valuation class in the material master record. This allows automatic account postings for stock-related transactions such as goods receipt or issue.

Explain the purpose of purchase info records in SAP MM.

A purchase info record contains information on a specific material supplied by a specific vendor. It holds details such as prices, lead times, and terms of delivery. Info records help streamline the procurement process by automatically filling out relevant fields in purchase orders.

What is a movement type, and how does it affect stock in SAP MM?

A movement type in SAP MM defines the kind of stock movement (e.g., goods receipt, goods issue, transfer posting) and controls how the

system updates stock quantity and value. Each movement type is assigned specific parameters, such as which accounts to update.

How do you handle subcontracting in SAP MM?

In subcontracting, materials are sent to a vendor, who uses them to produce finished goods. A subcontracting purchase order is created, specifying both the material to be sent and the finished product. Once the vendor delivers the finished goods, a goods receipt is posted, and the consumed material is recorded.

What is the purpose of a stock transfer order in SAP MM?

A stock transfer order (STO) is used to move materials between different plants or storage locations within the same company. The STO ensures proper documentation of stock transfers, updates inventory levels, and supports the overall logistics chain.

How is the source determination process handled in SAP MM?

Source determination in SAP MM helps find suitable suppliers for materials during procurement. It uses data from the source list, quota arrangement, and purchasing info records to automatically select the best vendor. This ensures that procurement aligns with predefined strategies like cost or delivery performance.

Explain what a pricing procedure is in SAP MM and how it's maintained.

A pricing procedure in SAP MM determines how the system calculates the final price for a purchase order. It includes conditions like base price, discounts, surcharges, and taxes. The pricing procedure is maintained in the condition master and is assigned based on factors like vendor or material type.

How is a physical inventory process managed in SAP MM?

In SAP MM, the physical inventory process involves counting stock and comparing it to system quantities. This process includes creating a physical inventory document, performing the count, and posting

inventory differences. This ensures inventory accuracy and helps with financial reconciliation.

What is an outline agreement, and how is it used in SAP MM?

An outline agreement is a long-term purchasing contract between a vendor and a buyer. It includes two types: contracts and scheduling agreements. Contracts outline general terms, while scheduling agreements specify delivery schedules. These agreements streamline procurement by pre-negotiating prices and conditions.

What is a quota arrangement in SAP MM?

A quota arrangement allows you to distribute purchase requirements among multiple vendors based on predefined quotas. It helps manage procurement by ensuring that materials are sourced proportionally from selected vendors, which is especially useful when maintaining supplier relationships.

How are goods receipts processed in SAP MM?

A goods receipt is posted when materials are received from a vendor. This transaction updates stock levels, generates a material document, and posts an accounting entry. It is an important step to ensure accurate stock levels and to initiate payment processing for the vendor.

What is a blanket purchase order, and when is it used?

A blanket purchase order is used to procure materials or services on a long-term basis, with no specific quantity or delivery date mentioned. It is useful for recurring purchases, like office supplies or maintenance services, where the exact demand is not known upfront.

Explain the different procurement types in SAP MM.

There are two main procurement types: external procurement and internal procurement. External procurement involves acquiring goods or services from vendors, while internal procurement involves transferring materials between different plants or storage locations within the same organization.

How do you handle the material ledger in SAP MM?

The material ledger in SAP MM is used to track material movements and inventory valuation in multiple currencies. It helps improve cost control by providing more detailed valuation data, including the actual cost of materials, compared to standard or moving average prices.

What is the use of stock transport orders in a multi-plant organization?

Stock transport orders (STO) facilitate the transfer of materials between plants within the same company. STOs ensure proper documentation of stock transfers, accounting updates, and the management of logistics during the transfer process.

How do you configure automatic account determination in SAP MM?

Automatic account determination is configured using transaction code OBYC in SAP MM. It links movement types to general ledger accounts based on valuation classes, ensuring that the correct accounts are automatically posted when stock movements occur.

What is a material type in SAP MM, and how does it affect material management?

A material type in SAP MM defines the characteristics of a material and controls which views (e.g., purchasing, accounting) are available in the material master record. Material types also determine the default settings for procurement, valuation, and inventory management.

How do you perform a stock transfer between two storage locations in the same plant?

To transfer stock between storage locations within the same plant, you create a transfer posting using transaction code MB1B. This process updates inventory levels in both storage locations without affecting the overall stock value of the plant.

What is the purpose of a transfer posting in SAP MM?



A transfer posting is used to change the stock status or move materials between different stock types (e.g., from unrestricted stock to blocked stock). Transfer postings do not necessarily involve physical stock movement but update the stock valuation and status.

