Oracle EBS R12: Inventory and Purchasing Fundamentals – Exam Study Guide

The Oracle EBS R12: Inventory and Purchasing Fundamentals (1Z0-225) Exam Study Guide is designed to provide students with the training information meant to help them pass the Oracle EBS R12: Inventory and Purchasing Fundamentals (1Z0-225).

Please note this exam targets intermediate-level implementation consultant. It is highly recommended that individuals planning to take the exam have attended current release level training or done extensive current release level self-study and possess strong field experience. The typical target audience for this type of exam is a functional consultant with two or more years of experience implementing the Oracle E-Business Suite Inventory and Purchasing product and has participated in two or more full implementation cycle.

The exam objectives are defined by learner or practitioner level of knowledge.

Learner-level: questions require the candidate to recall information to derive the correct answer
Practitioner-level: questions require the candidate to derive the correct answer from an application of their knowledge, which can only be attained by extensive experience with the product.

For each exam topic there have been identified alternative training options that are available at Oracle. Please note that some of the training recommended can cover multiple exam topics.

The exam covers 27 topics.
The exam consists of two Sections: Inventory and Purchasing.
Inventory covers 12 topics and Purchasing covers 15 topics.

Inventory

Topic 1: Overview of Oracle Inventory

Objectives

Describe the overall inventory process from receipt to issue
Describe the key integration points between Oracle Inventory and other Oracle Applications

Level

Learner
Practitioner

Training Options

○ Boot Camp
  ▪ Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
○ Instructor Led Training (delivered by Oracle University)
  ▪ R12.x Oracle Inventory Management Fundamentals
Topic 2: Inventory Structure

Objectives
- Describe Inventory Organization
- Describe the structure of an Inventory Organization
- Describe the multi-organization structure in Oracle Applications
- Use the organization reports
- Set up Inventory parameters, sub inventories, and locators
- Set up the organization profile options
- Describe organization implementation considerations

Level
- Learner
- Learner
- Practitioner
- Learner
- Practitioner
- Practitioner

Training Options
- Boot Camp
  - EBS R12.1 - SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Inventory Management Fundamentals

Topic 3: Units of Measure

Objectives
- Define units of measure
- Use units of measure reports
- Use units of measure setup options
- Describe units of measure implementation considerations

Level
- Learner
- Learner
- Learner
- Practitioner

Training Options
- Boot Camp
  - EBS R12.1 - SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Inventory Management Fundamentals

Topic 4: Defining and Maintaining Items

Objectives
- Define, setup and maintain items,
- Use item templates
- Use item control levels
- Use item categories and catalogs
- Use organization reports
- Implement item profile options
- Describe implementation considerations for items

Level
- Learner
- Learner
- Practitioner
- Learner
- Learner
- Practitioner
- Practitioner

Training Options
- Boot Camp
  - EBS R12.1 - SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Inventory Management Fundamentals
### Topic 5: Lot and Serial Control

**Objectives**

| Describe lots | Learner |
| Describe parent and child lots | Learner |
| Describe shelf life and lot actions | Learner |
| Describe grade control | Learner |
| Describe serial control | Learner |
| Describe lot and serial genealogy | Learner |
| Use the lot and serial reports | Learner |
| Implement the lot and serial profile options | Practitioner |
| Describe implementation considerations for lot and serial control | Practitioner |

**Training Options**

- **Boot Camp**
  - [EBS R12.1 - SCM Essentials Implementation Boot Camp](#)
- **Instructor Led Training (delivered by Oracle University)**
  - [R12.x Oracle Inventory Management Fundamentals](#)

### Topic 6: Transaction Setup

**Objectives**

| Describe transactions and move orders | Learner |
| Define transaction managers, transaction types, and transaction reasons | Learner |
| Define inventory picking rules | Learner |
| Define inventory account aliases | Practitioner |
| Set up move orders | Learner |
| Describe Period Close Process within Inventory | Practitioner |
| Use Alerts Notifications and Reports | Practitioner |
| Set up Profile Options | Practitioner |
| Describe implementation considerations for transaction setup | Practitioner |

**Training Options**

- **Boot Camp**
  - [EBS R12.1 - SCM Essentials Implementation Boot Camp](#)
- **Instructor Led Training (delivered by Oracle University)**
  - [R12.x Oracle Inventory Management Fundamentals](#)

### Topic 7: Issuing and Transferring

**Objectives**

| Perform Transactions | Learner |
| Manage Receipts | Practitioner |
| Perform Move Orders | Practitioner |
| Understand Transactions Reports | Learner |
Training Options
  o Boot Camp
    • EBS R12.1 - SCM Essentials Implementation Boot Camp
  o Instructor Led Training (delivered by Oracle University)
    • R12.x Oracle Inventory Management Fundamentals

Topic 8: On-hand and Availability

Objectives
  Explain availability                           Level
  Learner
  View on-hand quantities                       Learner
  Describe the uses of the material workbench  Learner
  Create ATP rules, time fences and supply/demand sources
  Manage Reservation                            Practitioner
  Implement on-hand and availability profile options
  Use on-hand and availability reports          Learner
  Describe on-hand and availability implementation considerations
  Practitioner

Training Options
  • Boot Camp
    • EBS R12.1 - SCM Essentials Implementation Boot Camp
    • R12.x Oracle Inventory Management Fundamentals

Topic 9: Material Status Control

Objectives
  Explain material status                           Level
  Learner
  Set up material status properties                Practitioner
  Describe key material status implementation considerations
  Practitioner

Training Options
  o Boot Camp
    • EBS R12.1 - SCM Essentials Implementation Boot Camp
  o Instructor Led Training (delivered by Oracle University)
    • R12.x Oracle Inventory Management Fundamentals
  o Online Training
    • R12.1 Readiness: Implement and Use Inventory Management
Topic 10: Inventory Replenishment

Objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perform forecasting</td>
<td>Learner</td>
</tr>
<tr>
<td>Explain reorder-point planning</td>
<td>Learner</td>
</tr>
<tr>
<td>Perform min-max planning</td>
<td>Learner</td>
</tr>
<tr>
<td>Perform replenishment counting</td>
<td>Learner</td>
</tr>
<tr>
<td>Generate kanban cards</td>
<td>Learner</td>
</tr>
<tr>
<td>Set up inventory planning profile options</td>
<td>Practitioner</td>
</tr>
<tr>
<td>Identify Implementation Considerations for Inventory Replenishment</td>
<td>Practitioner</td>
</tr>
</tbody>
</table>

Training Options

- Boot Camp
  - EBS R12.1 - SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Inventory Management Fundamentals

Topic 11: Inventory Accuracy

Objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create an ABC compile</td>
<td>Learner</td>
</tr>
<tr>
<td>Define and maintain a cycle count</td>
<td>Learner</td>
</tr>
<tr>
<td>Define a physical inventory</td>
<td>Learner</td>
</tr>
<tr>
<td>Demonstrate count adjustments and approvals</td>
<td>Learner</td>
</tr>
<tr>
<td>Use inventory accuracy reports</td>
<td>Learner</td>
</tr>
<tr>
<td>Set up inventory accuracy profile options</td>
<td>Practitioner</td>
</tr>
<tr>
<td>Explain key inventory accuracy implementation considerations</td>
<td>Practitioner</td>
</tr>
</tbody>
</table>

Training Options

- Boot Camp
  - EBS R12.1 - SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Inventory Management Fundamentals

Topic 12: Table Information

Objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the Oracle Inventory tables</td>
<td>Practitioner</td>
</tr>
<tr>
<td>Access eTRM</td>
<td>Practitioner</td>
</tr>
</tbody>
</table>

Training Options

- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Inventory Management Fundamentals
Purchasing

Topic 1: Procure to Pay Lifecycle Overview

Objectives
Describe the procure to pay process flow
Describe the key areas in the procure to pay process
Describe how the procure to pay process fits into the Oracle E-Business Suite of applications

Level
Learner
Practitioner
Learner

Training Options
- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

Topic 2: Oracle Purchasing Overview

Objectives
Describe how the Procurement process fits into the Procure to Pay lifecycle
Describe the Procurement process flow
Describe the key areas in the Procurement process
Identify Purchasing integration points
Identify Purchasing open interfaces and APIs

Level
Learner
Learner
Practitioner
Practitioner
Practitioner

Training Options
- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

Topic 3: Enterprise Structure – Locations, Organizations, and Items

Objectives
Describe the Oracle Applications Enterprise Structure
Define Inventory Organizations and Locations - Understand process only
Explain some Multi-Org Considerations in defining Inventory Orgs

Level
Learner
Learner
Learner

Training Options
- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals
Topic 4: Suppliers

Objectives

<table>
<thead>
<tr>
<th>Define suppliers</th>
<th>Learner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Define supplier sites</td>
<td>Learner</td>
</tr>
<tr>
<td>Manage suppliers</td>
<td>Learner</td>
</tr>
<tr>
<td>Identify Standard Reports for Suppliers</td>
<td>Learner</td>
</tr>
<tr>
<td>Define setup options for suppliers</td>
<td>Learner</td>
</tr>
<tr>
<td>Identify and define additional implementation considerations for suppliers</td>
<td>Practitioner</td>
</tr>
<tr>
<td>Understand Global vs Local Suppliers</td>
<td>Practitioner</td>
</tr>
</tbody>
</table>

Training Options

- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

Topic 5: Document Security, Routing and Approval

Objectives

| Define your document security and access levels | Practitioner |
| Define your document approval and routing process | Learner |
| Identify key reports related to document security and routing | Learner |
| Describe setup options for document security, routing and approval | Practitioner |
| Identify implementation considerations for document security | Practitioner |
| Explain some Multi-Org Considerations in defining document approval and routing process (include across Business Groups) | Practitioner |

Training Options

- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

Topic 6: RFQs and Quotations

Objectives

| Create RFQs | Learner |
| Create quotations | Learner |
| Identify key reports related to RFQs and quotations | Learner |
| Describe setup options for RFQs and Quotations | Learner |
| Describe implementation considerations for RFQs and quotations | Learner |
Training Options

- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

**Topic 7: Approved Supplier Lists and Sourcing Rules**

**Objectives**

<table>
<thead>
<tr>
<th>Define supplier statuses</th>
<th>Learner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set up and use an approved supplier list</td>
<td>Learner</td>
</tr>
<tr>
<td>Set up and use sourcing rules</td>
<td>Learner</td>
</tr>
<tr>
<td>Describe how sourcing information defaults to requisitions and purchase orders</td>
<td>Learner</td>
</tr>
<tr>
<td>Describe implementation considerations for approved supplier lists and sourcing rules</td>
<td>Learner</td>
</tr>
<tr>
<td>Understand Intercompany sourcing rules and processes</td>
<td>Practitioner</td>
</tr>
</tbody>
</table>

**Training Options**

- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

**Topic 8: Requisitions**

**Objectives**

<table>
<thead>
<tr>
<th>Create purchase requisitions</th>
<th>Learner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create Internal Requisitions</td>
<td>Learner</td>
</tr>
<tr>
<td>Describe Requisition document interfaces</td>
<td>Practitioner</td>
</tr>
<tr>
<td>Identify Standard Reports for requisitions</td>
<td>Learner</td>
</tr>
<tr>
<td>Define setup options for requisitions</td>
<td>Practitioner</td>
</tr>
<tr>
<td>Identify additional implementation considerations for requisitions</td>
<td>Practitioner</td>
</tr>
</tbody>
</table>

**Training Options**

- Boot Camp
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  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals
Topic 9: **Purchase Orders**

**Objectives**
- Create standard, blanket, contract, and planned purchase documents
- Create purchasing document releases
- Describe purchasing document interfaces
- Maintain purchase orders
- Identify Standard Reports for Purchase Orders
- Define setup options for Purchase Orders
- Identify additional implementation considerations for purchase orders

**Level**
- Learner
- Practitioner

**Training Options**
- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

**Topic 10: Automating Document Creation**

**Objectives**
- Use the Auto Create window to automate the creation of purchase documents
- Use the "Create Releases" program to automatically generate blanket purchase agreement releases
- Use the "PO Create Documents" workflow to automate the creation of purchase documents without buyer intervention

**Level**
- Practitioner

**Training Options**
- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

**Topic 11: Professional Buyer's Work Center**

**Objectives**
- Use the Buyer's Work Center to manage requisitions
- Use the Buyer's Work Center to create and manage standard purchase orders and blanket purchase agreements
- Describe how the Buyer's Work Center is the buyer's desktop for negotiations and supplier management

**Level**
- Learner
- Practitioner
Training Options

- **Boot Camp**
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

### Topic 12: Receiving

**Objectives**

- Describe the process of receiving goods
- Describe receipt routing
- Describe receipt processing methods
- Create standard, express, and cascade receipts
- Describe substitute receipts, unordered receipts, returns and corrections
- Describe pay on receipt
- Describe Receiving Open Interface
- Identify key receiving reports
- Describe receiving setup options
- Identify implementation considerations for receiving

**Level**

- Learner
- Learner
- Learner
- Learner
- Practitioner
- Learner
- Practitioner
- Practitioner
- Practitioner

### Training Options

- **Boot Camp**
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

### Topic 13: Purchasing Accounting

**Objectives**

- Describe the period closing process in Purchasing
- Describe key accounts, accounting events and accounting entries
- Create requisitions and purchase orders in foreign currency
- Identify key reports for purchasing accounting
- Describe setup options for purchasing accounting
- Describe implementation considerations for purchasing accounting

**Level**

- Practitioner
- Practitioner
- Practitioner
- Learner
- Learner
- Practitioner

### Training Options

- **Boot Camp**
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals
**Topic 14: Purchasing Administration**

**Objectives**
- Identify Purchasing administration and maintenance tasks
- Identify key concurrent processes
- Describe implementation considerations for purchasing administration

**Level**
- Learner
- Practitioner

**Training Options**
- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals

**Topic 15: Appendix A - Setup Steps**

**Objectives**
- Identify key Reports
- Describe setup sequence
- Describe key reports
- Describe setup options and implementation considerations

**Level**
- Learner
- Learner
- Learner
- Practitioner

**Training Options**
- Boot Camp
  - Oracle EBS R12.1 SCM Essentials Implementation Boot Camp
- Instructor Led Training (delivered by Oracle University)
  - R12.x Oracle Purchasing Fundamentals
- Self-Study CD
  - R12 Oracle Purchasing Fundamentals