

# SAP SD Interview Questions

This section explains you the commonly asked SD interview questions based on the process. There are many process available in Sales and distribution. We need to know the basic idea of the commonly used process while we attend the interviews.

1. Explain the basic Sales and distribution flow ?

1. Inquiry > Quotation > Sales order > Delivery (Picking, Packing, Loading, Post Goods issue) > Billing > Payment.

2. Explain about the STO (Stock Transport Order) Process ?

1. Stock Transport order is of two types,

1. Intra company STO : Stock transfer between two plants of same company code. Purchase order type is UB and the delivery type is NL.

2. Inter company STO : Stock transfer between two plants of different company code. Purchase order type is NB and the delivery type is NLCC.

3. Explain the Consignment Process ?

1. In Consignment process goods are delivered to customer but remains the property of the company until the customer uses the goods. Consignment process consists of four parts,

1. Consignment Fill up : Goods are issued to the customer special stock but it will not get reduced in the plant stock and this goods are not billed. The Standard Sales order type is KB, Item category KBN , Schedule line E1 and the movement type is 631.

2. Consignment Issue : Goods are issued from both the customer special stock and the delivering plant. This goods are billed. The standard sales order type KE, Item category is KEN, schedule line C0 & C1 and the movement type is 633.

3. Consignment Pick up : Goods are issued from the special

customer stock to the plant. Like the consignment Fill- up there is no billing for the goods. The standard sales order is KA, Item category is KAN, schedule line F0 & F1, and the movement type is 634.

4. Consignment Returns : Consignment returns is used to reverse a consignment issue. The sales order used is KR, Item category KRN, Schedule line D0 and movement type is 634.

#### 4. What is rush order ?

1. In Rush Order the delivery is immediately created after we save the sales order. This scenario is used when a customer requires for an immediate delivery. The standard Sales order type is RO and the delivery type LF is created automatically. The invoice will be done latter.

#### 5. What is a Cash order ? what is the difference between Rush order and cash order ?

1. In Cash Order the delivery is immediately created after we save the sales order. Here an invoice document is also provided to the customer. The output type RD03 is configured to create a invoice from the sales order. The invoice is provided to the customer during the sales order and the delivery is processed immediately. The billing will be done latter but the system does not print the invoices. The standard sales order type is CS, Delivery type is BV and billing type is BV.

#### 6. Explain the Procure to Pay Process ?

1. Planning > Purchase Requisition > Request for Quotation (RFQ) > Purchase order > Goods Receipt > Vendor invoice.

#### 7. Explain the Sub contract Process ?

1. Subcontracting refers to the process of entering a contractual agreement with an external company to perform a certain amount of work. The external company in this arrangement is known as a subcontractor. This process is mainly done to reduce the cost of

the production. Some examples of sub contracting works are Powder coating, painting, molding etc.

8. Explain the returns process ?

1. Whenever the customer is not satisfied with the product which is delivered to him, due to damage or any mismatch the customer can return the product back to the company. In standard this is done through the return order type RE. Once the return material is verified either a free material is sent to the customer or the money is paid back by creating a credit memo request.

9. Explain the credit memo Process ?

1. Credit memo is used for refunding the amount back to the customer. We need to provide the order reason in a credit memo request which is compulsory. Normally there will be Billing block in the credit memo request and this needs to be released by the line manager. once line manager releases the credit memo request then the credit memo is created and the money is refunded.

10. What is difference between credit memo request and credit memo ?

1. Credit memo request is a sales order. It needs to be released to create a billing document called credit note or credit memo.

11. Explain the Order to cash scenario ?

1. Inquiry > Quotation > Sales order > Delivery (Picking, Packing, Loading, Post Goods issue) > Billing > Payment.

12. Explain the Make to order and Make to stock scenario ?

1. In Make to order scenario, whenever the sales order is created a corresponding production order will be created and the production will be done for the materials and will be delivered as per sales process. This process is controlled by the requirement type which is determined by,
  1. Strategy group in MRP 3 tab in Material Master.
  2. The MRP group, Item category and MRP type in MRP1 tab

in Material Master.

2. In Make to stock scenario, material is produced or procured based on the sales forecast. By running a MRP (Material Resource Planning) automatically a Planned order is created, which is converted to Production order and the production of the material is done and the stock is increased. Sales will be done from the existing stock. We need to use strategy group 20 in material master MRP view. Strategy 20 is assigned to Requirement type KE (Individual customer requirement). Requirement type KE is assigned to requirement class 040 (Indiv.cust.w/o cons.)

13. Explain the Sales to Employee scenario ?

1. Goods which are offered to employees at a lesser price can be obtained from the shop set up in the company. Since employee will only select the goods in the shop, availability checks and Transfer of requirements are not necessary. Employees are created as one time customers in the system. Employee normally gets discount for the purchase. There will be a invoice provided from the sales order output and employee makes the payment and will take the goods. Immediate delivery is created. PGI can be done manually or latter by using batch program. Billing will will done latter by background job and will not have any output type. Here we follow order related billing and there is no account receivables for customers.

14. Explain a BOM (Bill Of Material Scenario) ?

1. Several materials can be combined together and sold as a package. This is achieved through BOM.

15. Explain the Third Party Scenario ?

1. In third party scenario, customer makes a order for a material which is not available in our stock. We in turn place an order to a third party vendor. That vendor will deliver the goods directly to the customer but the bill for that material will be sent to our company and we will make the payment to the vendor. We will provide the invoice to the customer.

2. The flow is Customer Purchase order > Sales order > Purchase request > Purchase order > GR (Consumption posting, stock will not be updated) > Vendor invoice > Customer billing against sales order.
3. Purchase order will be created with account assignment category X and Item category S.

16. What is the difference between Direct export, Deemed export and Merchant export ?

1. Direct Export : A Product which is manufactured by your company will be directly exported to a customer in another country. Profit will be directly accounted in your name. Exports are accompanied by ARE1 document.
2. Deemed Export : Deemed Export is done for buyers with deemed export license. In other words, you will sell a product to a customer who has export license. In this way we have an exemption in our (BED) Basic Excise Duty. Deemed Export documents are accompanied by ARE3 document.
3. Merchant Export : This process is same as third party process. Here we get a order from a customer from a country and we in turn order the same goods from a vendor company in a different country. The vendor company will directly delivery the goods to our customer. We will receive invoice from the vendor and make the payment for the goods and we provide a invoice to our customer for the same good. The Purchase order will be created with account assignment category @ and item category X.