SAP FI

MASTER INTERVIEW GUIDE

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A Complete Guide covering General Ledger, Accounts Payable, Accounts Receivable, Bank Accounting & Asset Accounting

6 Modules • 1,100 Questions & Answers • Basic to Advanced S/4HANA

SAP FI INTERVIEW QUESTIONS & ANSWERS

Q1: What is a Company Code in SAP FI?

Answer: It is the smallest organizational unit in SAP for which a complete, self-contained set of accounts can be drawn up for external reporting (Balance Sheet and P&L).

Example: *A parent company "Global Tech" has two legal entities: one in the US and one in India. You would create two Company Codes (e.g., US01 and IN01).*

Q2: What is a Chart of Accounts (CoA)?

Answer: A CoA is a list of all General Ledger (G/L) accounts used by one or several company codes. It defines the account number, name, and control information.

Example: *A standard CoA might have assets starting with 1XXXX, liabilities with 2XXXX, revenues with 3XXXX, and expenses with 4XXXX.*

Q3: What are the different types of Chart of Accounts?

Answer: 1. Operating CoA (used for daily postings), 2. Group CoA (used for consolidation), 3. Country-specific CoA (used for local legal requirements).

Example: *An Indian subsidiary uses an Operating CoA for daily work but maps it to a Country CoA to generate reports as per the Indian Companies Act.*

Q4: What is a Fiscal Year Variant (FYV)?

Answer: It defines the financial year and posting periods for a company code. It specifies how many normal periods (up to 12) and special periods (up to 4, for audit adjustments) are used.

Example: *FYV 'V3' runs from April to March (used in India), while 'K4' is the calendar year from January to December.*

Q5: What is the difference between Year-dependent and Year-independent Fiscal Year Variants?

Answer: Year-independent variants have the same number of days in a period every year. Year-dependent variants have periods that change from year to year.

Example: *A retail company that always ends its month on the last Friday of the month requires a year-dependent FYV because the dates change annually.*

Q6: What is a Posting Period Variant (PPV)?

Answer: It controls which accounting periods are open for posting and ensures that closed periods cannot be posted to, preventing manipulation of past financial data.

Example: *On October 1st, the finance team opens period 10 and closes period 9 using transaction OB52 so no one can backdate an invoice into September.*

Q7: What is a Document Type?

Answer: It classifies accounting documents, controls the document number range, and determines which account types (Assets, Customer, Vendor, Material, G/L) can be posted to.

Example: *'SA' is for G/L account documents, 'KR' is for Vendor Invoices, and 'DR' is for Customer Invoices.*

Q8: How do Number Ranges work in SAP FI?

Answer: Number ranges assign a unique document number to every financial transaction. They are linked to Document Types and must be defined per company code and fiscal year.

Example: *You configure the 'KR' (Vendor Invoice) document type to use number range 19, generating document numbers from 1900000000 to 1999999999.*

Q9: What is a Field Status Group (FSG)?

Answer: Linked to a G/L account, it controls whether a field is Suppressed, Required, or Optional during data entry (document posting).

Example: *If a G/L account is for "Bank Charges," you can set the "Cost Center" field as Required in the FSG so users cannot save the document without specifying the department.*

Q10: What is a Tolerance Group?

Answer: It sets monetary limits for employees regarding the maximum amount they can post, the maximum cash discount they can grant, and acceptable payment differences.

Example: *A junior accountant is assigned a tolerance group that restricts them from posting any invoice greater than $10,000.*

Q11: What is a Substitution in SAP FI?

Answer: A rule (T-code GGB1) used to automatically overwrite or fill in a field with a specific value during data entry based on certain prerequisites.

Example: *Substitution Rule: "If Profit Center = '1000', substitute Business Area with 'North'." The system automatically fills the Business Area field in the background.*

Q12: How are Cross-Company Code transactions handled?

Answer: When a transaction involves two company codes, SAP automatically generates two separate documents (one in each company code) and uses clearing accounts to balance them. Configured in OBYA.

Example: *Company A pays an expense on behalf of Company B. Company A: Debit Intercompany B, Credit Bank. Company B: Debit Expense, Credit Intercompany A.*

Q13: What is Foreign Currency Valuation?

Answer: A month-end process (FAGL_FCV) to revalue open items and bank balances held in foreign currencies based on the month-end exchange rate.

Example: *An invoice for €1,000 was posted when exchange rate was $1.10 ($1,100). At month-end, the rate is $1.15. The valuation program calculates an unrealized loss of $50 and posts it.*

Q14: What is the difference between Realized and Unrealized Exchange Gain/Loss?

Answer: Unrealized gains/losses occur during month-end valuation of open items (they are paper losses/gains). Realized gains/losses occur when the invoice is actually paid/cleared.

Example: *You value an open invoice at month-end and book an unrealized loss. Next month, you actually pay the invoice at a worse rate, the system books a realized loss and clears the unrealized one.*

Q15: What is a Financial Statement Version (FSV)?

Answer: A hierarchical structure used to group G/L accounts to generate Balance Sheets and Profit & Loss statements (T-code OB58).

Example: *You create an FSV where the node "Current Assets" contains the sub-nodes "Bank Accounts" (G/Ls 1000-1999) and "Accounts Receivable" (G/Ls 2000-2999).*

Q16: What is the difference between LSMW and BDC?

Answer: Both are data migration tools. BDC (Batch Data Communication) uses ABAP programming to simulate user screens.

LSMW (Legacy System Migration Workbench) is a functional tool that can use BDC, BAPIs, or IDocs without heavy coding.

Example: *To upload 5,000 Vendor Masters from an old system, a functional consultant will configure an LSMW using a flat file (Excel) rather than asking an ABAPer to write a custom BDC program.*

Q17: What is a Boolean Class in Validation/Substitution?

Answer: It defines the area of application (e.g., Document Header, Line Item, Complete Document) for the validation or substitution rule.

Example: *If checking that the document date is not older than 30 days, you use a "Document Header" boolean class.*

Q18: Can a document be posted to a closed period?

Answer: Normally, no. However, through Special Periods (13-16) and authorization groups in OB52, specific users (like auditors) can post adjustment entries into previous fiscal years after standard periods are closed.

Example: *The year ended Dec 31. In February, auditors find an error. They post an adjustment entry into Special Period 13 of the previous year.*

Q19: What happens to open items during Year-End Closing?

Answer: Open items in AP/AR and open item managed G/L accounts are carried forward automatically to the new fiscal year using transaction FAGLGVTR.

Example: *An unpaid vendor invoice from December 2023 will appear as an open item in January 2024 to ensure it gets paid.*

Q20: What is the purpose of the 'Line Item Display' flag in a G/L master?

Answer: It allows users to drill down and see the individual transactions (line items) that make up the account balance (e.g., in FBL3N).

Example: *"Bank Accounts" must have Line Item Display ticked so you can see every single deposit and withdrawal. "Retained Earnings" usually doesn't need it.*

Q21: What is a Business Area?

Answer: An organizational unit corresponding to a specific product line or branch of a business, used for internal reporting across company codes. (Largely replaced by Profit Centers in modern SAP).

Example: *A company has Company Codes for US and UK. Both sell "Hardware" and "Software". You create Business Areas for "Hardware" and "Software" to get consolidated P&L across countries for those product lines.*

Q22: What is the difference between Active, Passive, and Zero-Balance Document Splitting?

Answer: Active: Splits items based on predefined rules (e.g., splitting Vendor line based on Expense). Passive: Splits clearing lines based on how the original invoice was split. Zero-Balance: Automatically creates balancing lines to ensure each profit center has a net zero balance.

Example: *A payment (Passive) is split based on how the invoice was split (Active). If PC1 has a debit and PC2 has a credit, Zero-Balance splitting generates an inter-profit-center balancing entry.*

Q23: What is Parallel Accounting and how is it achieved in SAP?

Answer: Valuating and reporting financial data according to different accounting principles (e.g., IFRS and Local GAAP) simultaneously. Achieved using Parallel Ledgers or the Account Approach.

Example: *The Leading Ledger (0L) follows IFRS. A Non-Leading Ledger (N1) follows US GAAP. A depreciation run can post 5% depreciation to 0L and 10% to N1.*

Q24: What is the Universal Journal (ACDOCA) in S/4HANA?

Answer: The core innovation of S/4HANA Finance. It is a single line-item table that combines FI, CO, Asset Accounting, Material Ledger, and Profitability Analysis (CO-PA) into one table, eliminating reconciliation.

Example: *In ECC, posting an invoice updated BKPF, BSEG, FAGLFLEXA, COEP, etc. In S/4HANA, it updates the header (BKPF) and the universal line item table (ACDOCA) only.*

Q25: What are Extension Ledgers in S/4HANA?

Answer: Ledgers that sit on top of a base ledger (like the leading ledger). They only store manual adjustment entries. For reporting, the system pulls data from the base ledger + the extension ledger. It saves database space.

Example: *You need management-only adjustments. You post them to an Extension Ledger. To see the management view, run a report on the Extension Ledger (it fetches Base data + Management adjustments dynamically).*

Q26: What is the Business Partner (BP) concept in S/4HANA?

Answer: In S/4HANA, traditional Customer and Vendor masters are obsolete. Everyone (Customers, Vendors, Employees) must be created as a Business Partner and assigned specific roles (e.g., FLCU00 for FI Customer, FLVN00 for FI Vendor).

Example: *A company is both a supplier and a buyer. You create one BP. You extend it to the Vendor role (to pay them) and the Customer role (to bill them).*

Q27: What is Customer-Vendor Integration (CVI)?

Answer: The mandatory synchronization mechanism required during system conversion from ECC to S/4HANA to convert all existing Customers and Vendors into Business Partners.

Example: *During migration, CVI configuration ensures that Vendor 1005 is automatically converted into BP 1005 with the same name and address.*

Q28: What is Central Finance (CFIN)?

Answer: An S/4HANA deployment option where an S/4HANA system acts as a central hub, receiving financial transactions in real-time from multiple disparate legacy ERP systems (SAP or non-SAP) using SLT.

Example: *A company acquires 3 competitors running Oracle, JD Edwards, and SAP ECC. Instead of full migrations, they implement CFIN. All daily transactions replicate into CFIN for unified reporting.*

Q29: How does Asset Accounting change in S/4HANA (New Asset Accounting)?

Answer: It uses ACDOCA. Depreciation areas are mapped 1:1 to ledgers. Real-time depreciation postings are possible. The old T-codes (like AS01) still exist, but the background architecture is entirely different.

Example: *You can no longer restrict posting to specific depreciation areas sequentially; S/4HANA posts to all valuated ledgers simultaneously.*

Q30: What is the Technical Clearing Account in New Asset Accounting?

Answer: Used as an offsetting account during integrated asset acquisitions (e.g., buying from a vendor) to split the operational entry (AP) from the valuated entry (Asset).

Example: *Buy an asset for $1000. Step 1 (Operational): Debit Tech Clearing $1000, Credit Vendor $1000. Step 2 (Valuation): Debit Asset $1000, Credit Tech Clearing $1000. This allows different ledgers to capitalize different amounts if needed.*

Q31: How do you handle IDoc Errors?

Answer: Monitor them in T-code WE02 or WE05. Common FI errors include closed posting periods, missing cost centers, or invalid G/L accounts. You correct the master data/config and reprocess the IDoc using BD87.

Example: *An IDoc fails with status 51 because the profit center is locked. You unlock the profit center in KE52, go to BD87, and reprocess the IDoc to status 53 (Successful).*

Q32: What are WE20 and WE21?

Answer: WE20 is Partner Profiles (defines who you are talking to and what IDocs you accept). WE21 is Ports (defines how the technical connection is made, like a file path or RFC).

Example: *In WE20, you set up Partner "BANK_A", defining that you will send them "PAYEXT" IDocs (outgoing) and receive "FINSTA" IDocs (incoming bank statements).*

Q33: What is AIF (Application Interface Framework)?

Answer: A modern SAP tool that allows business users (not just IT) to monitor interfaces, map data, and correct errors in a user-friendly dashboard, heavily replacing traditional IDoc monitoring.

Example: *A business user sees a failed invoice interface in AIF, clicks on it, sees "Cost Center missing," adds the cost center directly in the AIF screen, and clicks "Reprocess."*

Q34: What is a BTE (Business Transaction Event)?

Answer: An enhancement technique (mostly for FI) used to attach custom ABAP code to standard SAP transactions without modifying the core system. Configured via FIBF.

Example: *You want to send an email to a vendor every time a payment is posted via F110. You find the standard BTE triggered by payment runs and attach a custom function module to send the email.*

Q35: User Exits vs. BADIs in FI?

Answer: Both are enhancement spots. User Exits are procedural (form routines) and mostly used in SD. BADIs (Business Add-Ins) are Object-Oriented and the modern standard for FI/MM enhancements.

Example: *Using a BADI (e.g., BADI_FDCB_SUBBAS01) to add a custom tab and fields to the standard vendor invoice screen (FB60).*

Q36: What are the primary FI cut-over activities before Go-Live?

Answer: 1. Upload Master Data (G/L, BP, Assets), 2. Upload Open Items (AP, AR), 3. Upload G/L Balances, 4. Upload Asset Balances.

Example: *Over the cut-over weekend, you run LSMW scripts to load all unpaid vendor invoices from the legacy system into SAP so that the APP can pay them next week.*

Q37: How are Open Items uploaded during Cut-over?

Answer: Uploaded via T-code F-02 or custom BAPI, debiting the Vendor/Customer and crediting a Data Migration Clearing Account.

Example: *To load an open AP balance of $500: Debit Migration Clearing $500, Credit Vendor $500.*

Q38: How are G/L Balances uploaded during Cut-over?

Answer: Only balances for non-open item managed accounts are uploaded. You post a journal entry debiting/crediting the actual G/L and offsetting against the Data Migration Clearing Account.

Example: *To upload $10k in Rent Expense: Debit Rent Expense $10k, Credit Migration Clearing $10k. Ultimately, the Migration Clearing account must balance to zero.*

Q39: What are SAP Fiori Apps for FI?

Answer: Role-based, web-based UI apps that replace standard SAP GUI T-codes in S/4HANA.

Example: *Instead of using FBL1N in the GUI, a user uses the Fiori app "Manage Supplier Line Items" on their tablet to view and clear vendor invoices.*

Q40: Explain Segment Reporting in SAP.

Answer: A requirement under IFRS 8 / ASC 280. A Segment represents an operating division of a company. It is derived automatically from the Profit Center master data.

Example: *Profit Centers "Car Engines" and "Truck Engines" are both assigned to the Segment "Automotive." The balance sheet can be generated for the "Automotive" segment.*

Q41: What is the primary difference between S/4HANA Cloud and On-Premise for FI?

Answer: S/4HANA Public Cloud has forced, standardized configuration (using SAP Central Business Configuration) with quarterly forced updates and limited backend ABAP modification. On-Premise allows deep customization.

Example: *In On-Premise, you can create a custom BADI to alter standard tax logic. In Public Cloud, you must use standard "In-App Extensibility" APIs.*

Q42: What is the Month-End Closing sequence in FI/CO?

Answer: 1. Open new FI period, 2. Process recurring entries, 3. Bank reconciliation, 4. Clear GR/IR, 5. Depreciation run, 6. Foreign currency valuation, 7. CO allocations (Assessments/Distributions), 8. Settle internal orders, 9. Close previous FI period.

Example: *You cannot run the Depreciation run (Step 5) successfully if the FI period is not open (Step 1).*

Q43: What is the Year-End Closing sequence in FI?

Answer: Carry forward balances (FAGLGVTR for G/L, F.07 for AP/AR), Asset year-end closing (AJAB), open new fiscal year for Assets (AJRW, automatic in S/4), and close special periods.

Example: *Running FAGLGVTR moves the P&L net income into the Retained Earnings account to start the new year with a zero P&L balance.*

Q44: How do you troubleshoot an "Account Determination" error during posting?

Answer: Analyze the error message to see which transaction key is missing. For MM, check OBYC. For SD, check VKOA. For Tax, check OB40. Check if the G/L account is created in the company code.

Example: *Error "Account determination for INT BSX 3000 not possible". You go to OBYC, double click BSX, enter CoA INT, and add Valuation Class 3000 mapped to the correct Inventory G/L.*