

Exercises



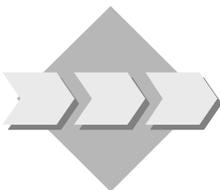
Unit: Additional Financial Topics

Topic: Currencies



At the conclusion of this exercise, you will be able to:

- Work with currencies in documents for foreign and local business partners.
- Post an exchange rate difference transaction.



Most of OEC Computers' vendors are local. They also work with few foreign vendors.

1-1 Work with currencies in an A/P Invoice for a foreign business partner.

1-1-1 Review and update the setup.

Review the *Currencies - Setup* window.

Then review the *Exchange Rates and Indexes* window.

Enter exchange rate values in all existing currencies for today's date.

1-1-2 Create a foreign currency vendor and update the price list.

Create a foreign currency vendor. Ensure that you define an account currency that is different than the local currency. Write down the account currency_____.

Ensure that you attach a **Cash Basic** payment terms to the vendor record.

Check the pricelist defined for him in the payment terms_____.

For one of the items in this price list, in the Additional Currency 1 *Unit Price* column, define a price in the same foreign currency.

1-1-3 Issue an A/P invoice for the foreign currency vendor.

Issue an A/P invoice for the foreign currency vendor you have just defined. In the A/P invoice, choose the same item.

If the Exchange Rate and Indexes window appears, enter a valid currency rate and update the window.

1-1-4 Review the currency data in the document.

Review the document currency.

Review the currency data in the *Unit Price* field, total row amount, and the total document amount

1-1-5 Add the A/P invoice.

Add the A/P invoice. Review the calculation in the automatic journal entry, and then review the vendor's account balance in local currency, system currency, and the specified foreign currency

1-2 Work with currencies in an A/P Invoice for a local business partner.

1-2-1 Issue an A/P invoice for a local vendor.

For the item/s in the invoice, enter the unit price in foreign currency.

Review the currency calculation in the Unit Price field, the total row amount, and the total document amount.

1-2-2 Add the A/P invoice.

Review the calculation in the automatic journal entry.

1-3 Post an Exchange Rate Difference transaction.

1-3-1 Issue an A/P invoice for a foreign currency vendor.

Issue an A/P invoice for the foreign currency vendor you have used before with a **past posting date**.

Choose the item to which you entered a price in the foreign currency.

If the *Exchange Rate and Indexes* window appears enter a valid currency rate that is **different** from the exchange rate you have entered for today and update the window.

1-3-2 Create an outgoing payment for the invoice.

Create an outgoing payment for the invoice you have just issued.

Let us say that the exchange rate changed since the invoice was issued.

Ensure that in the *Doc. Currency* filed at the top of the payment the exchange rate is different than the rate you entered for the invoice.

In the *Payment Terms* window, enter the payment details (for example bank transfer).

Review the automatic journal entry created for the outgoing payment.

Note that the exchange rate difference was posted in the local currency on a different row to a dedicated account.