

# NetSuite Financial Use Practice Exam (Sample)

## Study Guide



**Everything you need from our exam experts!**

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# Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

**Remember:** successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

# How to Use This Guide

**This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:**

## **1. Start with a Diagnostic Review**

**Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.**

## **2. Study in Short, Focused Sessions**

**Break your study time into manageable blocks (e.g. 30 - 45 minutes). Review a handful of questions, reflect on the explanations.**

## **3. Learn from the Explanations**

**After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.**

## **4. Track Your Progress**

**Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.**

## **5. Simulate the Real Exam**

**Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.**

## **6. Repeat and Review**

**Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.**

**There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!**

## Questions

- 1. What feature does Electronic Payments provide in addition to EFT and ACH Vendor Payments?**
  - A. Generates financial statements**
  - B. Offers extensive tax reporting**
  - C. Facilitates transaction fraud detection**
  - D. Enables payment file generation for bank transfers**
- 2. What is a key requirement for transferring funds between a base currency bank account and a foreign currency bank account?**
  - A. The exchange rate must be fixed**
  - B. The subsidiaries must use the same base currency**
  - C. The system must display the default exchange rate**
  - D. Transfers can only be made if the account is OneWorld**
- 3. What does the Financial Section in a report do?**
  - A. Displays historical financial data without categorization**
  - B. Groups accounts by user-defined criteria**
  - C. Generates projections for future financial performance**
  - D. Clarifies balance sheet information only**
- 4. What is the primary purpose of reconciling bank statements?**
  - A. To keep bank account accurate**
  - B. To avoid bank fees**
  - C. To track investment performance**
  - D. To identify fraudulent transactions**
- 5. What is a unique feature of elimination journal entries in accounting?**
  - A. They require validation by NetSuite**
  - B. They must associate each entry with a single elimination subsidiary**
  - C. They cannot be reversed or deferred**
  - D. They only apply to manual entries**

- 6. What must occur for writing checks to reduce accounts payable balance?**
- A. A transaction that originates from accounts payable must be made.**
  - B. Checks must be voided immediately after writing them.**
  - C. All checks must be authorized by a vendor.**
  - D. You must create a new vendor credit.**
- 7. Which type of billing schedule is best suited for billing for actual time worked and material costs?**
- A. Standard Billing Schedule**
  - B. Fixed Bid Interval Billing Schedule**
  - C. Time and Materials Billing Schedule**
  - D. Charge Based Billing Schedule**
- 8. What is the first step in the Accounts Receivable business process flow?**
- A. Create Invoices**
  - B. Sales Order**
  - C. Accept Customer Payments**
  - D. Invoicing**
- 9. What occurs after the items are received and the Purchase Order is matched?**
- A. A new vendor is selected**
  - B. A payment is immediately authorized**
  - C. Accounts Payable is notified to process payment**
  - D. The inventory is automatically updated**
- 10. What is the maximum number of locations you can track in OneWorld?**
- A. 25 locations**
  - B. 50 locations**
  - C. 75 locations**
  - D. 100 locations**



## **Answers**

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1. D
2. C
3. B
4. A
5. B
6. A
7. C
8. B
9. C
10. B

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## **Explanations**

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**1. What feature does Electronic Payments provide in addition to EFT and ACH Vendor Payments?**

- A. Generates financial statements**
- B. Offers extensive tax reporting**
- C. Facilitates transaction fraud detection**
- D. Enables payment file generation for bank transfers**

The feature that Electronic Payments provides, in addition to EFT and ACH Vendor Payments, is the ability to enable payment file generation for bank transfers. This functionality allows users to create files that can be uploaded to their banks for processing electronic payments. This streamlines the payment process, reducing manual handling and potential errors associated with checks and other paper-based payments. By automating the generation of payment files, businesses can ensure timely and accurate payments to vendors, enhancing cash flow management and operational efficiency. While the other options might appear relevant in a financial context, they do not specifically pertain to the unique functionalities provided by Electronic Payments in relation to EFT and ACH processes.

**2. What is a key requirement for transferring funds between a base currency bank account and a foreign currency bank account?**

- A. The exchange rate must be fixed**
- B. The subsidiaries must use the same base currency**
- C. The system must display the default exchange rate**
- D. Transfers can only be made if the account is OneWorld**

The correct choice indicates that for transferring funds between a base currency bank account and a foreign currency bank account, the system must display the default exchange rate. This requirement is essential because foreign currency transactions involve converting amounts from one currency to another, which is dependent on an exchange rate. Having the default exchange rate displayed ensures that users can clearly see the rate at which the currency conversion will take place, allowing for accurate calculations and ensuring the transaction reflects the current market conditions. This assists in maintaining financial accuracy and transparency within the system. In scenarios where the exchange rate is not displayed, users would not have a clear understanding of the conversion rate being applied, which could lead to errors in the amount transferred or misrepresentations in financial reporting. This makes the visibility of the default exchange rate crucial for any cross-currency transactions.

### 3. What does the Financial Section in a report do?

- A. Displays historical financial data without categorization
- B. Groups accounts by user-defined criteria**
- C. Generates projections for future financial performance
- D. Clarifies balance sheet information only

The Financial Section in a report serves the important function of grouping accounts by user-defined criteria, which allows users to organize and analyze financial data according to their specific needs. This flexibility is crucial for businesses as it enables them to create customized reports that reflect their unique financial structures and reporting requirements. When accounts are grouped, users can gain insights into various facets of their financial performance, such as profitability, expense categorization, and overall financial health. This grouping can be tailored to the reporting preferences or goals of the business, which makes the Financial Section a powerful tool for financial analysis and decision-making. In contrast, the other options either limit the scope of the report or do not accurately describe the capabilities of the Financial Section. For instance, simply displaying historical data without categorization does not provide the analytical depth that a grouped approach does. Generating projections is also outside the scope of the Financial Section, as it focuses on current data organization rather than future forecasting. Lastly, while balance sheet information may be part of financial reports, clarifying it exclusively does not encompass the overall functionality of the Financial Section, which is more comprehensive in its organization of various accounts.

### 4. What is the primary purpose of reconciling bank statements?

- A. To keep bank account accurate**
- B. To avoid bank fees
- C. To track investment performance
- D. To identify fraudulent transactions

The primary purpose of reconciling bank statements is to ensure the accuracy of a bank account. When reconciliation is performed, it involves comparing the bank's records of transactions with the company's own records. This process helps identify any discrepancies that may exist, such as missing transactions, incorrect amounts, or even duplications. By keeping the bank account accurate, a business ensures that its financial statements reflect the true state of its accounts, which is essential for sound financial management and decision-making. Maintaining accuracy also lays the groundwork for effective cash flow management, budgeting, and financial planning. While avoiding bank fees, tracking investment performance, and identifying fraudulent transactions are important aspects of financial management, they are secondary benefits that may arise from a thorough reconciliation process. The foundational goal remains ensuring the bank account's integrity and correctness.

**5. What is a unique feature of elimination journal entries in accounting?**

**A. They require validation by NetSuite**

**B. They must associate each entry with a single elimination subsidiary**

**C. They cannot be reversed or deferred**

**D. They only apply to manual entries**

A unique feature of elimination journal entries in accounting is that they must associate each entry with a single elimination subsidiary. This is important because elimination journal entries are specifically used in the context of consolidated financial statements to eliminate intercompany transactions and balances. By associating each entry with a specific subsidiary, the accounting system ensures that the transactions being eliminated don't inadvertently affect the overall consolidation process or other subsidiary records. This feature helps maintain the integrity of the financial statements and ensures that consolidated results accurately reflect the business's overall financial position without double-counting or misrepresenting the financial performance of the individual subsidiaries. The requirement for a single subsidiary connection ensures clarity in tracking which intercompany transactions are being removed for consolidation purposes.

**6. What must occur for writing checks to reduce accounts payable balance?**

**A. A transaction that originates from accounts payable must be made.**

**B. Checks must be voided immediately after writing them.**

**C. All checks must be authorized by a vendor.**

**D. You must create a new vendor credit.**

When writing checks to reduce an accounts payable balance, it is essential that the transaction originates from the accounts payable module. This means that the check should be tied to an existing accounts payable invoice or bill. When a check is issued against an accounts payable liability, it effectively acknowledges that the company is making a payment towards a debt it owes to a vendor. This process ensures that the accounts payable balance is accurately reduced in the financial records, reflecting the payment made. The accounts payable system tracks these obligations, and by posting a check against an invoice, the reduction is automatically recorded, allowing for proper accounting and reconciliation. Other options, such as voiding checks after writing them or requiring vendor authorization for all checks, do not pertain to the necessary process for reducing accounts payable. Voiding a check would negate the payment and not lower the balance due, while vendor authorization is a separate internal control measure and does not directly impact the process of reducing accounts payable through the writing of checks. Similarly, creating a new vendor credit does not relate to reducing a balance owed; rather, it is a separate transaction involving adjusting payments or correcting billing errors.

**7. Which type of billing schedule is best suited for billing for actual time worked and material costs?**

- A. Standard Billing Schedule**
- B. Fixed Bid Interval Billing Schedule**
- C. Time and Materials Billing Schedule**
- D. Charge Based Billing Schedule**

The type of billing schedule that is best suited for billing actual time worked and material costs is the Time and Materials Billing Schedule. This approach is specifically designed for situations where the costs can vary based on the amount of time spent on a project and the materials consumed. In a Time and Materials billing scenario, clients are billed for the actual hours worked by employees, multiplied by their hourly rates, along with a charge for any materials used. This method provides flexibility and ensures that service providers are compensated fairly for the resources they utilize, reflecting the true costs incurred during a project. Other billing schedules, such as a Standard Billing Schedule or Fixed Bid Interval Billing Schedule, typically involve predetermined amounts or fixed fees, which do not take into account the variability of actual time and materials. A Charge Based Billing Schedule may have its own use cases; however, it typically doesn't cater specifically to tracking and billing the detailed metrics related to time and material costs in the same way that Time and Materials does. Thus, Time and Materials is the most appropriate choice for this context.

**8. What is the first step in the Accounts Receivable business process flow?**

- A. Create Invoices**
- B. Sales Order**
- C. Accept Customer Payments**
- D. Invoicing**

The first step in the Accounts Receivable business process flow is the creation of a Sales Order. This step is crucial as it marks the initiation of the transaction with the customer. A Sales Order represents the agreement between the company and the customer detailing the products or services ordered, quantities, and prices. This document serves as the basis for subsequent steps in the accounts receivable process, leading to the creation of invoices and the acceptance of customer payments. In many organizations, processing a Sales Order is essential for inventory management and ensures that the services or goods requested are effectively allocated and tracked. This initial step also facilitates clear communication regarding what the customer is purchasing, which helps prevent discrepancies later on in the invoicing and payment phases.

**9. What occurs after the items are received and the Purchase Order is matched?**

- A. A new vendor is selected**
- B. A payment is immediately authorized**
- C. Accounts Payable is notified to process payment**
- D. The inventory is automatically updated**

After items are received and matched with the Purchase Order, the proper process dictates that Accounts Payable is notified to process payment. This is an integral part of the accounts payable workflow to ensure that the company's financial obligations are managed accurately and efficiently. When a Purchase Order is matched with received items, it signifies that the company has validated the receipt of the goods or services ordered. At this point, a notification to Accounts Payable allows them to initiate the payment process in alignment with company policies and the terms agreed upon with the vendor. This step is crucial for maintaining good vendor relationships and ensuring that the company's financial records reflect the current liabilities accurately. This procedure does not involve selecting new vendors or authorizing payments immediately, as both actions require further verification or approval steps. Additionally, while the inventory might indeed be updated following the receipt of items, it does so as a part of its own process and does not directly relate to the actions taken by Accounts Payable. Thus, the notification to Accounts Payable to process payment is the correct focus in the context of what happens following the matching of items and a Purchase Order.

**10. What is the maximum number of locations you can track in OneWorld?**

- A. 25 locations**
- B. 50 locations**
- C. 75 locations**
- D. 100 locations**

The maximum number of locations you can track in NetSuite OneWorld is 100. OneWorld is designed to provide a robust management solution for companies operating in multiple global locations, allowing them to handle various currencies, tax regulations, and compliance requirements effectively. Tracking up to 100 locations supports complex organizational structures and gives businesses the flexibility to manage their inventory, sales, and financials seamlessly across different geographic areas. This capability is essential for enterprises aiming to optimize their operations globally and gain insights into location-specific performance. The other options reflect lower limits, which do not align with the comprehensive functionality that OneWorld offers for managing multiple locations within a global enterprise environment.



## Next Steps

**Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.**

**As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.**

**If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at [hello@examzify.com](mailto:hello@examzify.com).**

**Or visit your dedicated course page for more study tools and resources:**

**<https://netsuitefinancialuse.examzify.com>**

**We wish you the very best on your exam journey. You've got this!**