

NETSUITE FINANCIAL USE PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE

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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

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- 1. What are the two ways to record a customer deposit?**
 - A. Using the customer record or sales order
 - B. Creating a deposit on the Customer Deposit Page or from the sales order
 - C. Recording payments directly on the invoice
 - D. Using the credit memo feature or issued refunds
- 2. How many budgets can be created for the same time period in NetSuite?**
 - A. One budget only
 - B. Multiple budgets based on various criteria
 - C. Only two types of budgets
 - D. Unlimited budgets with no criteria
- 3. What does the 'Make Deposits' feature allow a company to do?**
 - A. Reduce transaction fees
 - B. Record cash received unrelated to previous transactions
 - C. Only handle employee reimbursements
 - D. Track sales transactions directly
- 4. In which type of billing schedule does billing occur based on the percent work completed?**
 - A. Fixed Bid Milestone Billing Schedule
 - B. Standard Billing Schedule
 - C. Time and Materials Billing Schedule
 - D. Charge Based Billing Schedule
- 5. What is the primary function of Key Performance Indicators (KPI) in a business setting?**
 - A. To create raw data without metrics
 - B. To blend raw data into critical business metrics for dashboards
 - C. To store financial data indefinitely
 - D. To limit the reporting to specific timeframes

- 6. What is the primary function of the Lock AP feature in NetSuite?**
- A. Prevents posting transactions impacting AP without impacting AR and GL accounts
 - B. Blocks all journal entries in the accounting period
 - C. Allows all transactions to be posted without restriction
 - D. Freezes the AP account from any changes
- 7. When making transfers to non-bank accounts, which method is commonly used?**
- A. Substituting physical cash
 - B. Checks or journal entries
 - C. Direct deposits only
 - D. Online bill pay exclusively
- 8. Which type of transactions can utilize a memorized transaction feature in NetSuite?**
- A. Transactions that relate only to bank deposits
 - B. Any financial activity within the NetSuite ecosystem
 - C. Recurring expenses such as bills, sales orders, and estimates
 - D. Only end-of-year financial adjustments
- 9. What should you expect to happen when local subsidiaries view their budget amounts?**
- A. Amounts will remain static regardless of currency
 - B. Budgets will show greater accuracy than consolidated reports
 - C. Budget figures may fluctuate due to exchange rate variances
 - D. They will always be lower than the parent company's budget
- 10. What does the term "Initial Amount" refer to in the context of billing?**
- A. Amount paid to the vendor
 - B. Total outstanding balance
 - C. Amount of the first billing instance
 - D. Frequency of payments

Answers

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

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Explanations

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1. What are the two ways to record a customer deposit?

- A. Using the customer record or sales order
- B. Creating a deposit on the Customer Deposit Page or from the sales order**
- C. Recording payments directly on the invoice
- D. Using the credit memo feature or issued refunds

The two ways to record a customer deposit are captured through creating a deposit on the Customer Deposit Page or from the sales order. This method is crucial as it allows businesses to efficiently track funds received from customers before delivering goods or services. Using the Customer Deposit Page provides a straightforward interface for entering details regarding the deposit, while recording it from a sales order links the deposit directly to future sales transactions, maintaining clear visibility and organization in the accounting records. This linkage ensures that when the actual sale is completed, the deposit is appropriately applied to the customer's outstanding balance. Other methods, such as making payments directly on an invoice or utilizing the credit memo feature, involve different financial processes and do not specifically address the initial receipt of funds as deposits. Understanding these methods highlights the importance of correctly managing customer deposits in order to maintain the integrity of financial records within an organization.

2. How many budgets can be created for the same time period in NetSuite?

- A. One budget only
- B. Multiple budgets based on various criteria**
- C. Only two types of budgets
- D. Unlimited budgets with no criteria

In NetSuite, the system allows for the creation of multiple budgets for the same time period based on various criteria. This functionality is beneficial for organizations that may need to set up different types of budgets, such as operational budgets, capital budgets, or departmental budgets, all within the same fiscal year or time frame. The ability to create multiple budgets allows for a more granular financial planning and analysis process. Organizations can segment budgets by department, project, or any other relevant criteria to better accommodate different planning needs and financial reporting requirements. This flexibility is a key feature of NetSuite designed to support diverse budgeting needs within a single organization. Other choices imply limitations that do not reflect the capabilities of the platform, as organizations often require a multi-faceted approach to budgeting to address various business strategies and objectives.

3. What does the 'Make Deposits' feature allow a company to do?

- A. Reduce transaction fees
- B. Record cash received unrelated to previous transactions**
- C. Only handle employee reimbursements
- D. Track sales transactions directly

The 'Make Deposits' feature in NetSuite is designed to facilitate the recording of cash that a company receives. This functionality is crucial for accurately tracking the inflow of cash, especially when it comes from sources unrelated to prior sales or transactions. Companies often have situations where they receive payments that are not tied directly to invoices, such as refunds, overpayments, or miscellaneous income. The ability to record these kinds of cash receipts accurately ensures that the company's financial records reflect the true state of their cash position. This feature streamlines the accounts receivable and cash management processes, making it easier for financial teams to keep track of their funds and integrate those figures into broader financial reports.

4. In which type of billing schedule does billing occur based on the percent work completed?

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

The most appropriate billing schedule for situations where billing is based on the percentage of work completed is the Time and Materials Billing Schedule. This type of schedule allows for charges to reflect actual work done and materials used, enabling billing to progress based on the completion percentage of the overall task or project. As work is completed, costs can be billed proportionately, aligning payments with the practical advancement of the project. This billing method provides flexibility for project-based work, where the final costs can be uncertain at the start. It allows for partial payments as each segment of work is finished, which benefits both the provider and the client by ensuring that payment corresponds to actual progress. With the other options, while they each have specific billing mechanisms—like Fixed Bid Milestone Billing that works on completing specific milestones rather than ongoing work progress, or Standard Billing that usually follows predetermined cycles—none fit the method of billing solely based on the percentage of work completed as aligned with the characteristics of a Time and Materials Billing Schedule.

5. What is the primary function of Key Performance Indicators (KPI) in a business setting?

- A. To create raw data without metrics
- B. To blend raw data into critical business metrics for dashboards**
- C. To store financial data indefinitely
- D. To limit the reporting to specific timeframes

The primary function of Key Performance Indicators (KPI) in a business setting is to blend raw data into critical business metrics for dashboards. KPIs are essential tools that help organizations measure their performance against defined goals and objectives. By transforming complex data into easily interpretable metrics, KPIs allow businesses to monitor their success, identify trends, and make informed decisions. This process enables stakeholders to gain insights into operational effectiveness, financial health, and strategic alignment. Incorporating KPIs into dashboards provides a visual representation of these metrics, making it easier for managers and team members to understand performance at a glance. This functionality is crucial, as it supports proactive management of business processes and outcomes. The other options do not accurately reflect the primary role of KPIs. Creating raw data without metrics wouldn't provide the insight necessary for effective decision-making. Storing financial data indefinitely isn't a function of KPIs but relates more to data management practices. Limiting reporting to specific timeframes does not capture the essence of how KPIs function; rather, KPIs often assess performance over various timeframes to get a holistic view of business success.

6. What is the primary function of the Lock AP feature in NetSuite?

- A. Prevents posting transactions impacting AP without impacting AR and GL accounts
- B. Blocks all journal entries in the accounting period
- C. Allows all transactions to be posted without restriction
- D. Freezes the AP account from any changes

The primary function of the Lock AP feature in NetSuite is to prevent posting transactions that impact Accounts Payable (AP) while ensuring that the related Accounts Receivable (AR) and General Ledger (GL) accounts remain functional. This allows organizations to maintain control over their payables process at a specified point in time, often at the close of an accounting period, thus providing an extra layer of accuracy and preventing any discrepancies that could arise from unapproved or unrecorded transactions. By locking AP, users can ensure that only approved entries are processed, mitigating potential errors or unauthorized changes to outstanding payables, which are critical for maintaining the integrity of financial reporting. This ensures that the financial statements reflect only those transactions that have been verified and finalized. In this function, AP remains protected while allowing other areas of financial reporting, such as AR and GL, to continue operating, hence preserving the overall balance in the accounting system.

7. When making transfers to non-bank accounts, which method is commonly used?

- A. Substituting physical cash
- B. Checks or journal entries
- C. Direct deposits only
- D. Online bill pay exclusively

Using checks or journal entries is the common method for making transfers to non-bank accounts. This approach allows for proper documentation and tracking of transactions, ensuring that both accounts involved in the transfer reflect the changes accurately in the financial records. Checks provide a tangible form of payment that can be used for various types of transactions, while journal entries allow for internal record-keeping, facilitating the adjustment of accounts without the need for an actual cash exchange. Substituting physical cash is less practical for non-bank transfers, as it lacks traceability and may not be feasible depending on the transaction type. Direct deposits and online bill pay tend to be more restricted to bank accounts, making them unsuitable for non-bank account transactions. Therefore, checks and journal entries become the preferred methods for these scenarios, providing the necessary flexibility and accountability in financial management.

8. Which type of transactions can utilize a memorized transaction feature in NetSuite?

- A. Transactions that relate only to bank deposits
- B. Any financial activity within the NetSuite ecosystem
- C. Recurring expenses such as bills, sales orders, and estimates**
- D. Only end-of-year financial adjustments

The memorized transaction feature in NetSuite is specifically designed to streamline the process for transactions that occur regularly. This includes recurring expenses like bills, sales orders, and estimates, which can all benefit from automation. By memorizing these types of transactions, users can save time and reduce the risk of errors associated with manual entries each time these transactions need to be recorded. Recurring expenses typically involve consistent amounts and schedules, making them ideal candidates for memorization. Once set up, these transactions can be automatically generated according to the defined schedule, ensuring that the financial records are kept up to date without requiring repetitive input from the user. Other types of transactions, while they may be financial in nature, do not necessarily align with the functionality intended for memorized transactions. This aspect of memorization specifically supports the efficiency of frequently occurring expenses, thereby enhancing financial management within the NetSuite platform.

9. What should you expect to happen when local subsidiaries view their budget amounts?

- A. Amounts will remain static regardless of currency
- B. Budgets will show greater accuracy than consolidated reports
- C. Budget figures may fluctuate due to exchange rate variances**
- D. They will always be lower than the parent company's budget

When local subsidiaries view their budget amounts, it is accurate to expect that budget figures may fluctuate due to exchange rate variances. This is primarily because operating in multiple currencies can lead to differences in how budget figures are translated and understood based on local currency values. For subsidiaries using a local currency, their budget amounts will be influenced by the prevailing exchange rates with the parent company's currency. Changes in these rates can result in discrepancies when the financial data is converted for consolidated reporting or comparison with the parent company's budget. Thus, the amount displayed to the local subsidiaries can change over time if there is volatility in the currency exchange rates, leading to fluctuations in the respective budget figures.

10. What does the term "Initial Amount" refer to in the context of billing?

- A. Amount paid to the vendor
- B. Total outstanding balance
- C. Amount of the first billing instance**
- D. Frequency of payments

In the context of billing, the term "Initial Amount" specifically refers to the amount of the first billing instance. This indicates the distinct sum that is charged or billed at the beginning of a billing cycle or project. This initial charge is important as it sets the financial expectation for the customer and establishes the beginning of the payment schedule. Understanding the correct choice is vital as it reflects how organizations manage their cash flow and customer accounts. By clearly identifying the initial amount, businesses can better track incoming revenue and monitor how it aligns with their financial projections and accounting practices. This initial charge often reflects the cost of services rendered or products delivered at the outset, distinguishing it from subsequent transactions which may vary in amount or frequency. The other options represent different financial concepts that do not directly relate to the "Initial Amount." For instance, the amount paid to the vendor is typically a separate financial transaction that may occur after the initial billing, while the total outstanding balance refers to the total amount still owed by the customer after accounting for any payments made. Frequency of payments pertains to how often payments are made, which does not define the initial billing amount itself. Thus, the term specifically highlights that first billing figure, making it essential for proper financial management and customer accounting in billing practices

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.

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!

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