CHAPTER 7: QUALITY MANAGEMENT

Objectives

The objectives are:

- Describe the setup of the quality management feature’s quality control component
- Set up automatic quality order generation
- Explain how to create and use manual quality orders
- Review quality reports and certificate of analysis functionality

Introduction

Quality management functionality offers full integration for managing quality processes and non-conformances. It helps manage, track, and handle quality processes and issues throughout a company.

The Quality Management Setup figure provides an overview of the setup that is involved in the quality management system.

FIGURE 7.1 QUALITY MANAGEMENT SETUP
The quality management functionality consists of two primary components:

- Quality Control
- Quality Management

The quality control component is used to set up and manage the quality testing requirements for a company. This includes the following:

- Specification of the test instruments that are used to perform the tests
- Identification of test locations where the tests are held
- Definition of the test specifications that determine whether test items meet the quality standards
- Creation of the quality order

Quality control can also be used to record the test results that are associated with a quality order and create a Certificate of Analysis (C.O.A.) that will be linked to the quality order information.

The quality management component is used to manage non-conforming products and items, such as damaged or defective goods, and to track and resolve customer or vendor problems, such as product complaints or performance issues.

Quality management can also be used to tag non-conforming items for quarantine.

**Set Up Quality Management Basics**

The quality control component of quality management provides access to the information that is required to set up and manage quality testing requirements for a company.

**Test and Quality Orders**

A Quality order (Inventory and warehouse management > Periodic > Quality management > Quality orders) defines a set of one or more tests that must be performed for an item and a test quantity of its related order (such as a purchase, sales, or production order) or a test quantity of its inventory.

For each test, the quality order defines the quality specifications, an Acceptable Quality Level (AQL), the applicable test instrument, the documents that describe the test, and several other factors.

A test can be quantitative (with specifications and test results expressed as values for a specified unit of measure) or qualitative (with specifications and test results expressed as user-defined outcomes that reflect pass or fail). Tests can be added, changed, or deleted in a quality order.
For the set of tests, the quality order defines the overall AQL, the sampling plan and associated test quantity, the need for destructive tests, and the sequence of tests.

**Validation Process**

After reporting the test results for each test in a quality order, start a validation process that assigns a pass or fail status (based on meeting the overall AQL) and closes the quality order.

You can define the allowed business processes during and after quality order validation. For example, you can block the invoice update of a purchase order that has related inventory in the inspection process.

Optionally, a non conformance can be created when a quality order identifies defective material. The non conformance provides the basis for additional investigation following scheduling of correction tasks, in addition to recording of the correction actions.

**Quality Order Prerequisites**

A quality order builds on the information that is defined by several prerequisite steps. These steps include defining the following:

- Quantitative tests and the associated unit of measure
- Qualitative tests and the associated test variables and outcomes
- Test instruments and associated test areas (optional)
- Test groups

Additional steps include the definition of sampling plans and the assignment of tests to a test group, together with the quality specifications, test sequence, and validity dates for each test within the test group. To automatically generate quality orders, you must also define the quality associations about the events and conditions within each business process that will trigger a quality order.
Set Up Parameters

To enable the Quality management functionality, click **Inventory and warehouse management > Setup > Inventory and warehouse management parameters** click the **Quality management** tab, and then select an option for the parameters shown in the following table.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use quality</td>
<td>Enables quality management in a company</td>
</tr>
<tr>
<td>management</td>
<td></td>
</tr>
<tr>
<td>Hourly rate</td>
<td>The hourly rate for calculating an employee's time that is spent on activities related to a non conformance</td>
</tr>
</tbody>
</table>

![FIGURE 7.2 INVENTORY AND WAREHOUSE PARAMETERS - QUALITY MANAGEMENT TAB](image-url)
Click **Report setup** to open the **Report setup for quality management** form. This is used to control and set up notes on quality reports.

![Report setup for quality management form]

**FIGURE 7.3 REPORT SETUP FOR QUALITY MANAGEMENT FORM**

**NOTE**: When the **Use quality management** parameter is disabled, fields related to quality management will not appear in forms throughout the system, and quality orders cannot be created.

**Set Up Store Areas**

Locations where tests will physically be performed are set up in the **Store areas** form (**Inventory and warehouse management > Setup > Inventory breakdown > Store areas**). The store area must have the **Area type** set to **Input**.

**Example: Physical Store Areas**

A manufacturing company produces computer monitors. When the production orders are finished, the monitors are tested for quality. Each monitor is tested in several areas such as the screen, monitor exterior, cord, plug, and the input and output ports.

**Procedure: Create a Store Area**

Follow this procedure to create a test area:

1. Open **Inventory and warehouse management > Setup > Inventory breakdown > Store areas**.
2. Click **New** to create a new store area.
3. In the **Store area** field, type the identifier.
4. In the **Name** field, type the name of the area.
5. Select Input area from the Area Type drop-down.
6. Close the Store area form.

Set Up Test Instruments

The instruments that can be used to conduct tests are set up in the Test instruments form (Inventory and warehouse management > Setup > Quality control > Test instruments).

![Test Instruments Form]

FIGURE 7.4 TEST INSTRUMENTS FORM

Use the Test instruments form to define and view the equipment that is used in performing quality tests. A test instrument must be assigned a unit of measure that reflects the associated measurement and its decimal precision. Such units of measure are centimeters and a decimal precision of four. You can also assign a test instrument to a test area.

Example: Working with the Test Instruments

A manufacturing company uses various test instruments for performing tests on materials, and each instrument has an applicable unit of measure. For example, a scale instrument has a unit of measure of kilograms for weighing, and a micrometer has a unit of measure of millimeters for measuring thickness. A decimal precision is associated with a unit of measure.
Set Up Tests

Open Inventory and warehouse management > Setup > Quality control > Tests to set up, edit, and view tests. Tests are used to determine whether quality processes meet predefined specifications and standards.

![Tests Form Image](image)

**FIGURE 7.5 TESTS FORM**

Three types of test measurements can be set up in the *Type* field during setup, as shown in the following table.

<table>
<thead>
<tr>
<th>Type</th>
<th>Example of Test Result</th>
</tr>
</thead>
</table>
| Fraction | 0.1  
          | 0.2  |
| Integer  | 1                  |
|          | 2                  |
| Option   | Too dark        |
|          | Too light       |

**Procedure: Create a Test**

Follow this procedure to create a test:

1. Open Inventory and warehouse management > Setup > Quality control > Tests.
2. Click New to create a new test.
3. In the **Test** field, type the name or identifier.
4. In the **Description** field, optionally type a description.
5. Select Fraction, Integer, or Option in the **Type** field.
6. In the **Unit** field, select the unit of measure.
7. Optionally, enter or change the remaining information.

**NOTE:** A test type cannot be changed if it is being used by one or more test groups.

### Set Up Test Variables

The **Test variables** form (Inventory and warehouse management > Setup > Quality control > Test variables) is used to define and view the variables that are associated with a qualitative test. Test variables describe acceptable and unacceptable test results when the test measurement type is Option.

Test measurement types are defined in the **Tests** form. When new variables are set up, possible outcomes of a test are defined. This includes if an outcome is acceptable or not.

![Test Variables Form](image)

**FIGURE 7.6 TEST VARIABLES FORM**

**NOTE:** Test variables must be set up before they can be added to a test with the **Outcome** type.
Example: Setting Up Test Variables

A company's Quality team wants to visually test paper during production to make sure that each roll is consistent in color before it distributes the product.

The variable "color" is added to the Test variables form. Then, to indicate the color variations that might result during production and if a color variation is acceptable, the Outcomes button is used to locate the Test variable outcomes form. Use the Test variable outcomes form to enter the possible color variations (too light, too dark, and correct) and their outcome status (pass or fail).

![Test Variable Outcomes Form](image)

FIGURE 7.7 TEST VARIABLE OUTCOMES FORM

Procedure: Create a Test Variable

Follow this procedure to create a test variable:

1. Open Inventory and warehouse management > Setup > Quality control > Test variables.
2. Click New to create a new variable.
3. In the Variable field, type the name or identifier.
4. Optionally, type a description in the Description field.

Procedure: Create an Outcome for a Test Variable

To create an outcome for a test variable, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality control > Test variables.
2. Select a variable.
3. Click Outcomes.
4. In the **Test variable outcomes** form, click **New** to create a new outcome.
5. In the **Outcome** field, type the name or identifier.
6. Optionally, type a description in the **Description** field.
7. In the **Outcome status** field, select Fail or Pass.
8. By default, the active variable will appear in the **Variable** field. However, this can be edited.

### Set Up Item Sampling

The quantity of sample items to be tested during a test is set up in the **Item sampling** form ([Inventory and warehouse management > Setup > Quality control > Item sampling](#)).

**FIGURE 7.8 ITEM SAMPLING FORM**

The quantity specified can be either a fixed amount or a percentage. Item samplings are used with test groups.

**Example 1: Testing the Quantity of Sampled Items**

A company's guidelines require a random check of at least 50 pieces in every shipment that is received from a new vendor during the first 90 days of the relationship.

An item sampling is set up with a fixed quantity value of 50.

**Example 2: Testing the Quantity of Sampled Items**

A company plans to roll out a new product line and each item that is being produced is to be tested before releasing it for distribution.

An item sampling is set up with a percentage value of 100.
Procedure: Create an Item Sampling

To create an item sampling, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality control > Item sampling.
2. Click New to create a new item sampling.
3. In the Item sampling field, type the name or identifier.
4. Optionally, type a description in the Description field.
5. In the Quantity specification field, select Fixed quantity or Percent.
6. In the Value field, specify the value associated with the Quantity specification.
7. In the Quality order generation group, select the Full blocking check box if this sampling should block the full order line and not just the sampling quantity.
8. Optionally, select the Per update quantity check box if the new quantity order should be created when the item quantity is updated.
9. In the Per storage dimension group select the Warehouse, Location or Pallet ID check boxes to create quality orders for each unique combination of storage dimensions.
10. In the Per tracking dimension group select the Batch number or Serial number check boxes to create quality orders for each unique combination of tracking dimensions.

NOTE: For more information about inventory blocking, refer to Inventory Journals.

Set Up Test Groups

The Test groups form (Inventory and warehouse management > Setup > Quality control > Test groups) is used to set up, edit, and view test groups and the individual tests that are assigned to a test group. The test group on the quality order determines the tests that will be assigned. These test, when administered, determine whether an item will pass or fail the quality control.

Example: Setting Up Test Groups

A company produces baked goods for food retailers. At production, the items are tested for taste, color, and size. Each of these individual tests is set up as part of the same test group.
Procedure: Create a Test Group

To create a test group, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality control > Test groups.
2. Click New to create a new test group.
3. In the Test group field, type the name or identifier.
4. Optionally, type a description in the Description field.
5. In the Acceptable quality level field, type the percentage that is acceptable.
6. Make a selection in the Item sampling field.
7. Select the Destructive test check box if the test will destroy the test sample.

Destructive Tests

Destructive tests can be necessary to perform when an item has to be split apart or destroyed to test the quality of its contents.

These types of tests are set up on the Test groups form by selecting the Destructive test check box on a test group.

Because the items that are involved in a destructive test cannot be used again, they are removed from inventory with a new transaction reference Quality order. This occurs when a quality order is created for that item.

Example: Destructive Test Inventory Transactions

This is an example of the inventory transactions of a destructive test for a purchase order of 100 items with a destructive test of 1 percent.

After the purchase order is product received the following inventory transactions will be created.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Value</th>
<th>Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Order</td>
<td>+100</td>
<td>Received</td>
</tr>
<tr>
<td>Quality Order</td>
<td>-1</td>
<td>On order (or Reserved physical, Picked or whatever is performed)</td>
</tr>
</tbody>
</table>
After validation of a quality order the following inventory transactions will be created.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Value</th>
<th>Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Order</td>
<td>+ 100</td>
<td>Received</td>
</tr>
<tr>
<td>Quality Order</td>
<td>- 1</td>
<td>Sold</td>
</tr>
</tbody>
</table>

After financial update of a purchase order the following inventory transactions will be created.

<table>
<thead>
<tr>
<th>Reference</th>
<th>Value</th>
<th>Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Order</td>
<td>+ 100</td>
<td>Purchased</td>
</tr>
<tr>
<td>Quality Order</td>
<td>- 1</td>
<td>Sold</td>
</tr>
</tbody>
</table>

**Set Up Quality Groups**

The Quality groups form (Inventory and warehouse management > Setup > Quality control > Quality groups) is used to group items that share the same or similar characteristics for testing.
After a quality group is set up, the individual items are added to the group.

The two methods of assigning items to a quality group are as follows:

- One at time by using the **Item quality groups** form. (Setup > Item quality group).
- Through a query (Setup > Add items). The **Inquiry** form lets you enter in the criteria for selecting items to add to the Quality group. The results will be displayed on the **Add items** form. This lets the user accept the results.

**Example: Assigning Products to a Quality Group**

A company has a group of paint products that share a similar shade of yellow. The same series of quality tests are required on all products. Therefore, a quality group is created and each paint product assigned to the new group.

**Procedure: Create a Quality Group**

To create a Quality group, follow these steps:

1. Open **Inventory and warehouse management** > Setup > Quality control > Quality groups.
2. Click **New** to create a new quality group.
3. In the **Quality group** field, type the name or identifier.
4. Optionally, type a description in the **Description** field.
Set Up Items in Quality Groups

The **Item quality groups** form is used to define the individual items that make up a quality group.

![Item quality groups form](image)

**FIGURE 7.10 ITEM QUALITY GROUPS FORM**

Quality groups let users place items that share the same or similar characteristics together for testing.

**Procedure: Add Items to a Quality Group**

To add items to a quality group, follow these steps:

1. Open **Inventory and warehouse management** > **Setup** > **Quality control** > **Quality groups**.
2. Select the quality group to which the item is being added.
3. Click **Setup**.
4. Select **Item quality groups**. The **Item quality groups** form is displayed.
5. Click **New**.
6. Select the item number to add to the quality group.
7. Repeat Steps 5 - 6 to add each other item.
Lab 7.1 - Set Up Quality Management Basics

Scenario

The Contoso Company sells televisions. Recently, the company received several customer complaints about the quality of these televisions. Tony, the Contoso Production Manager, asked the Quality Assurance specialist, Ricardo, to test the quality of all the televisions sold by the company.

Ricardo plans to use the Microsoft Dynamics AX quality management functionality to start and monitor the testing. First, Ricardo updates all the necessary settings in Microsoft Dynamics AX 2012 to be able to create quality orders.

Ricardo plans to test the basic functions of the televisions, such as the quality of screen image, sound, and tuner functioning. He creates settings with the following characteristics shown in the following tables:

Test Areas

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screen</td>
<td>Screen area</td>
</tr>
<tr>
<td>Tuner</td>
<td>Tuner area</td>
</tr>
<tr>
<td>Sound system</td>
<td>Sound system area</td>
</tr>
</tbody>
</table>

Test Instruments

<table>
<thead>
<tr>
<th>Name</th>
<th>Test area</th>
<th>Description</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test pattern</td>
<td>Screen</td>
<td>Test pattern for testing the image quality</td>
<td>Option</td>
</tr>
</tbody>
</table>

Tests

<table>
<thead>
<tr>
<th>Test</th>
<th>Description</th>
<th>Type</th>
<th>Test instrument</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screen image</td>
<td>Testing quality of the screen image</td>
<td>Option</td>
<td>Test pattern</td>
</tr>
<tr>
<td>Tuner functioning</td>
<td>Testing of tuner functioning</td>
<td>Option</td>
<td></td>
</tr>
<tr>
<td>Sound quality</td>
<td>Testing the sound quality</td>
<td>Option</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 7: Quality Management

Test Groups

<table>
<thead>
<tr>
<th>Test group</th>
<th>Description</th>
<th>Acceptable quality level</th>
<th>Item sampling</th>
<th>Destructive test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>LCD televisions</td>
<td>95</td>
<td>1 pcs</td>
<td>Cleared</td>
</tr>
</tbody>
</table>

Test Variables

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sharpness</td>
<td>Image sharpness</td>
<td>Sharp image - Passed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Blurred image - Failed</td>
</tr>
<tr>
<td>Channel search</td>
<td>Tuner functioning characteristic</td>
<td>All channels found - Passed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Any channels missing - Failed</td>
</tr>
<tr>
<td>Sound</td>
<td>Sound purity</td>
<td>No acoustic noise - Passed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Acoustic noise - Failed</td>
</tr>
</tbody>
</table>

According to the contract, the hourly rate for test operations is 20.00 U.S. dollars (USD).

The Contoso Company uses the following internal reports:

- Certificate of analysis
- Correction report
- Non conformance tag
- Non conformance report

Challenge Yourself!

1. Enable the Quality Management functionality for CEU company.
2. Set an hourly rate for test operations.
3. Set up quality management reports that have a corresponding restriction.
4. Create new store areas.
5. Create new test instruments and attach them to the corresponding test areas.
6. Create new tests.
7. Create test variables with acceptable and unacceptable test results.
8. Create a new test group.
9. Create a new quality group.
10. Create a new item quality group and define items for this group.
11. Set Ricardo Acosta as a person responsible for quality.
Need a Little Help?

- Use the **Inventory and warehouse management** form to enable quality management functionality.
- Set the Hourly rate.
- Click Report setup to add reports that have a corresponding documents type, if it is needed.
- To create new test areas, locate the Store areas form.
- Use the Test instruments form to create new test instruments and attach them to the corresponding test areas.
- Set up, edit, and view tests.
- Create new test variables, and then set acceptable and unacceptable test results.
- Set up, edit, and view test groups and the individual tests that are assigned to a test group.
- Group items that share the same or similar characteristics for testing.
- Set up, edit, and view the items that are assigned to a quality group or the quality groups that are assigned to an item.
- Set the employee that is responsible for quantity.

**Step by Step**

To set up parameters, follow these steps:

1. Open **Inventory and warehouse management > Setup > Inventory and warehouse management parameters**.
2. Click the **Quality management** tab.
3. Select the **Use quality management** check box.
4. Set the **Hourly rate** to 20.00.
5. Click **Report setup**.
6. Verify that the table is complete as follows.

<table>
<thead>
<tr>
<th>Report</th>
<th>Document type</th>
<th>Restriction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate of analysis</td>
<td>CertOfAna</td>
<td>Internal</td>
</tr>
<tr>
<td>Correction report</td>
<td>Correction</td>
<td>Internal</td>
</tr>
<tr>
<td>Non conformance tag</td>
<td>NTag</td>
<td>Internal</td>
</tr>
<tr>
<td>Non conformance report</td>
<td>NCreport</td>
<td>Internal</td>
</tr>
</tbody>
</table>

2. Close the **Inventory and warehouse management parameters** form.
To set up test areas, follow these steps:

1. Open Inventory and warehouse management > Setup > Inventory breakdown > Store areas.
2. Click New to create new lines with the following data.

<table>
<thead>
<tr>
<th>Store area</th>
<th>Name</th>
<th>Area Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screen</td>
<td>Screen area</td>
<td>Input area</td>
</tr>
<tr>
<td>Tuner</td>
<td>Tuner area</td>
<td>Input area</td>
</tr>
<tr>
<td>SoundSys</td>
<td>Sound system area</td>
<td>Input area</td>
</tr>
</tbody>
</table>

3. Close the Store areas form.

To set up test instruments, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality control > Test instruments.
2. Click New to create new lines with the following data.

<table>
<thead>
<tr>
<th>Field name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test instrument</td>
<td>Test pattern</td>
</tr>
<tr>
<td>Test area</td>
<td>Screen</td>
</tr>
<tr>
<td>Description</td>
<td>Test pattern for testing the image quality</td>
</tr>
<tr>
<td>Unit</td>
<td>Option</td>
</tr>
</tbody>
</table>

3. Close the Test instruments form.

To set up tests, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality control > Tests.
2. Click New to create a new line with the following specifications.

<table>
<thead>
<tr>
<th>Field name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test</td>
<td>Screen image</td>
</tr>
<tr>
<td>Description</td>
<td>Testing quality of the screen image</td>
</tr>
<tr>
<td>Type</td>
<td>Option</td>
</tr>
<tr>
<td>Test instrument</td>
<td>Test pattern</td>
</tr>
</tbody>
</table>

3. Click New to create a new line and fill in the fields by using the following data.
<table>
<thead>
<tr>
<th>Field name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test</td>
<td>Tuner functioning</td>
</tr>
<tr>
<td>Description</td>
<td>Testing of tuner functioning</td>
</tr>
<tr>
<td>Type</td>
<td>Option</td>
</tr>
<tr>
<td>Test instrument</td>
<td>blank</td>
</tr>
</tbody>
</table>

4. Click **New** to create one more line with the following data:

<table>
<thead>
<tr>
<th>Field name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test</td>
<td>Sound quality</td>
</tr>
<tr>
<td>Description</td>
<td>Testing the sound quality</td>
</tr>
<tr>
<td>Type</td>
<td>Option</td>
</tr>
<tr>
<td>Test instrument</td>
<td>blank</td>
</tr>
</tbody>
</table>

5. Close the **Tests** form.

To set up test variables, follow these steps:

1. Open *Inventory and warehouse management > Setup > Quality control > Test variables*.
2. Click **New** to create a new line.
3. In the **Variable** field, type "Sharpness".
4. In the **Description** field, type "Image sharpness".
5. Click **Outcomes** to create the outcomes, and then click **New**.
6. In the **Outcome** field, type "Sharp image", and in the **Outcome status** field, select Pass.
7. Click **New** to create a new line.
8. In the **Outcome** field, type "Blurred image".
9. In the **Outcome status** field, select Fail.
10. Close the **Test variables outcomes** form.
11. In the **Test variables** form, create a new line by clicking **New**.
12. In the **Variable** field, type "Channel search", and in the **Description** field, type "Tuner functioning characteristic".
13. Click **Outcomes**.
14. Click **New** to create a new outcome.
15. In the **Outcome** field, type "All channels found", and in the **Outcome status** field, select Pass.
16. Click **New** to create one more new line.
17. In the **Outcome** field, type "Any channels missing", and in the **Outcome status** field, select Fail.
18. Close the **Test variables outcomes** form.
19. In the **Test variables** form, create a new line.
20. In the **Variable** field, type "Sound", and in the **Description** field, type "Sound purity".

21. Click **Outcomes**.

22. Click **New** to create a new outcome.

23. In the **Outcome** field, type "No acoustic noise", and in the **Outcome status** field, select Pass.

24. Click **New** to create a new outcome.

25. In the **Outcome** field, type "Acoustic noise", and in the **Outcome status** field, select Fail.

26. Close the **Test variables outcomes** form.

27. Close the **Test variables** form.

To set up test groups, follow these steps:

1. Open **Inventory and warehouse management** > **Setup** > **Quality control** > **Test groups**.

2. In the upper pane, create a new line by clicking **New**. Use the following specifications.

<table>
<thead>
<tr>
<th>Field name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test group</td>
<td>Television</td>
</tr>
<tr>
<td>Description</td>
<td>LCD televisions</td>
</tr>
<tr>
<td>Acceptable quality level</td>
<td>95.00</td>
</tr>
<tr>
<td>Item sampling</td>
<td>1 pcs.</td>
</tr>
<tr>
<td>Destructive test</td>
<td>cleared</td>
</tr>
</tbody>
</table>

3. In the bottom pane, create a new line by clicking **Add**.

4. In the **Sequence number** field type "10", and in the **Test** field, select Screen image.

5. Click the **Test** tab.

6. In the **Variable** field, select Sharpness, in the **Default outcome** field, select Sharp image, and then in the **Test instrument** field, select Test pattern.

7. On the **Overview** tab, create a new line by clicking **Add**.

8. In the **Sequence number** field, type "20", and in the **Test** field, select Tuner functioning.

9. Click the **Test** tab.

10. In the **Variable** field, select Channel search, and in the **Default outcome** field, select All channels found.

11. Click **Add** on the **Overview** tab to create one more new line.

12. In the **Sequence number** field, type "30", and in the **Test** field, type "Sound quality".

13. Click the **Test** tab.
14. In the **Variable** field, select Sound, and in the **Default outcome** field, select No acoustic noise.

15. Close the **Test groups** form.

To set up quality groups, follow these steps:

1. Open **Inventory and warehouse management** > **Setup** > **Quality control** > **Quality groups**.
2. Click **New** to create a new line.
3. In the **Quality group** field, type "Televisions", and in the **Description** field, type "Televisions".
4. Close the **Quality groups** form.

To set up items in quality groups, follow these steps:

1. Open **Inventory and warehouse management** > **Setup** > **Quality control** > **Item quality groups**.
2. Create a new line by clicking **New**, and in the **Item number** field select 1000. In the **Quality group** field, select Televisions.
3. Click **New** to create one more new line with **Item number** 1001 and **Quality group** = Televisions.
4. Click **New** to create a new line with **Item number** 1003, **Quality group** = Televisions.
5. Close the **Item quality groups** form.
Set Up Automatic Quality Order Generation

Quality orders can be automatically generated based on rules that are defined in the Quality associations form, such as generating a quality order after you have generated a purchase order product receipt for a product.

The following table shows that quality orders can be generated automatically from many source documents.

<table>
<thead>
<tr>
<th>Business Process</th>
<th>Quality order generation from document type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Picking list or Packing slip</td>
</tr>
<tr>
<td>Purchase</td>
<td>Receipts list, Product receipt, or Registration</td>
</tr>
<tr>
<td>Production/Batch order</td>
<td>Registration, or Report as Finished</td>
</tr>
<tr>
<td>Route Operation</td>
<td>Report as Finished</td>
</tr>
<tr>
<td>Quarantine</td>
<td>Report as Finished or End</td>
</tr>
</tbody>
</table>

Set Up Quality Associations

The Quality associations (Inventory and warehouse management > Setup > Quality control > Quality associations) form is used to create quality associations to automatically generate and track quality orders. This information is used to automatically generate quality orders, in addition to conducting tests and validating test results.

The Quality associations form supports the multisite feature. If a site is specified, the trigger for the automatic quality order creation is limited to that site only.

Example: Setting Up Quality Associations

A company has a new group of vendors and it must monitor the quality of their shipments. After assigning the vendors to a specific vendor group, a quality association is set up for the group to define testing requirements when purchase orders are received from one of the vendors in the group.

Depending on selections that are made during setup, the system generates a quality order after product receipt. The quality order is then used to conduct the test.

Procedure: Create a Quality Association

To create a quality association, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality control > Quality associations.
2. Click New to create a new quality association.
3. In the Site field, select a site or keep it blank if it is trigger account for all sites.
4. In the Reference type field, select where you want to start the quality order from, for example, Purchase.
5. Select a value in the Item code and Item fields.
6. Click the Quality order generation FastTab to view or enter a Document type.
   This field is selected or viewed if the applicable transaction within the business process that (together with the policy for timing) will trigger a quality order.
   The applicable transactions reflect the reference type of the business process. For example, the applicable transaction for a sales order includes the picking list and the packing slip.
7. In the Execution field, select or view Before or After, depending on when to create the quality order, in relation to the selection in the Document type field.
8. Click the Quality order process FastTab, and select Document blocking. If a document is selected the quality order must be completed before the selected document can be generated.
9. Optionally, select Quarantine upon validation failure to automatically quarantine any failed quality orders and block them from being used.
10. Click the Specifications FastTab.
11. In the Test group field, select the test group for this quality association.
12. Enter the **Effective** and **Expiration** dates and times for this quality association.

13. Select the **Item sampling** to determine what amount should be quality tested.

14. In the **Acceptable quality level** field, type the percentage of items that must pass for the quality order to pass.

**FIGURE 7.11 QUALITY ASSOCIATIONS FORM**
Lab 7.2 - Set Up Automatic Quality Order Generation

Scenario

According to the results of an official investigation, it is discovered that the reason for the many customer complaints is because product 1000, LCD Television HD Black 42 inches is of low quality sometimes. Therefore, the company decided to make stricter requirements for vendors because of quality monitoring. To optimize the quality monitoring work, the company has decided to use functionality that allows for the automatic generation of quality orders to conduct tests and to validate test results. The quality order should be generated at product receipt.

Your task is to perform the necessary setup for the automatic quality order creation through the purchase order for vendor 1001 and item 1000.

Challenge Yourself!

1. Create rules that are required to generate the automatic quality order.
2. Generate the automatic quality order from the purchase order for vendor 1001 and item 1000.

Need a Little Help?

- Use the **Quality associations** form to set up all needed parameters.
- Create and post a new purchase order. Open **Procurement and sourcing > Common > Purchase Orders > All purchase orders**.
- Click the Purchase tab and then click Confirm.
- Click the Receive tab and then click Product receipt to acknowledge a product receipt.

Step by Step

3. Open **Inventory and warehouse management > Setup > Quality control > Quality associations**.
4. Create a new line by clicking **New** and then fill in the following data.

<table>
<thead>
<tr>
<th>Field name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site</td>
<td>2</td>
</tr>
<tr>
<td>Reference type</td>
<td>Purchase</td>
</tr>
<tr>
<td>Item code</td>
<td>table</td>
</tr>
<tr>
<td>Item</td>
<td>1000</td>
</tr>
<tr>
<td>Test group</td>
<td>Television</td>
</tr>
<tr>
<td>Document type</td>
<td>Product Receipt</td>
</tr>
</tbody>
</table>
5. Close the **Quality associations** form.
6. Open **Procurement and sourcing > Common > Purchase Orders > All purchase orders.**
7. Click **Purchase order** to create a new purchase order.
8. Set the **Vendor account** = 1001.
9. Click **Yes** to transfer vendor information.
10. Click **OK.**
11. Set the **Item number** to 1000, **Quantity** to 20.00, and **Unit price** to 1000.00.
12. Click the **Purchase** tab in the Action Pane, and then click **Confirm.**
13. Click the **Receive** tab and then click **Product receipt.**
14. Select Ordered quantity in the **Quantity** field.
15. Type "PR-10001" in the **Product Receipt** field
16. Click **OK.**
17. The Quality order will be created.
18. Close the Infolog and the **Purchase order** form.

<table>
<thead>
<tr>
<th>Field name</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Execution</td>
<td>Before</td>
</tr>
<tr>
<td>Item sampling</td>
<td>1 pcs.</td>
</tr>
</tbody>
</table>
Create a Manual Quality Order

The Quality orders form (Inventory and warehouse management > Periodic > Quality management > Quality orders) is used to manually create a quality order for the inventory of a specified item and test quantity, and to perform the tests within the specified test group.

The form can also be used to manually create a quality order for a specified order (such as a purchase order, production order, or physical on-hand inventory), test quantity, and test group. One or more quality orders can be manually created for a specified order.

A quality order must be manually generated for an item's inventory quantity, and the quality association record provides a default value for the AQL.

Example: Creating a Manual Quality Order

The person in the inbound warehouse was unloading boxes from the vendor’s truck and noticed that one of the boxes appeared to be damaged. Company policy dictates that suspected damaged items must be tested for quality. Therefore, he manually creates a quality order to have the products in the box inspected.

Procedure: Create a Manual Quality Order

To create a quality order manually, follow these steps.

1. Open Inventory and warehouse management > Periodic > Quality management > Quality orders.
2. Click New. The Quality orders form opens.
3. In the Reference type field, select the option for where the source of the quality order must be, for example, Purchase order.
4. In the Reference number field, select the source reference, for example, Purchase order number.
5. Make a selection in the Reference lot field.
6. Select an Item number.
7. In the Test group field, select the test group to which this test must be assigned.
8. In the Quantity field, type the number of items that must be tested.
Lab 7.3 - Create a Manual Quality Order

Scenario

To make sure that the shipped products are good quality, Pedro Gutierrez decides to make an additional selection for the following items for screen image quality tests.

<table>
<thead>
<tr>
<th>Item number</th>
<th>Test group</th>
<th>Quantity</th>
<th>Configuration</th>
<th>Size</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001</td>
<td>Television</td>
<td>15.00</td>
<td>HD</td>
<td>42</td>
<td>01</td>
</tr>
<tr>
<td>1003</td>
<td>Television</td>
<td>5.00</td>
<td>NHD</td>
<td>50</td>
<td>01</td>
</tr>
</tbody>
</table>

Tests for Item number 1001 were successfully passed. For Item number 1003, the screen image test outcome was that the image was blurred.

Challenge Yourself!

Create a manual quality order with corresponding test results according to the scenario.

NOTE: The Lab 7.1 : Set Up Quality Management Basics must be completed before you start this lab.

Need a Little Help?

- Use the Quality orders form to create needed quality orders with the corresponding test.
- Use the Quality order line results form to enter the test result and its associated quantity.
- Validate the test results for the selected quality order.

Step by Step

1. Open Inventory and warehouse management > Periodic > Quality management > Quality orders.
2. Click New.
3. Create a new quality order with the following specifications:
   a. Select Inventory as the Reference type.
   b. Select Item number 1001
   c. Select Television as the Test group
   d. Type "15.00" in the Quantity field
17. Click New to create a new quality order.
18. Select Inventory as the Reference type.
19. In the Identification field group, enter the following data in the corresponding fields:
   a. Select Item number 1003
   b. Select Television as the Test group
   c. Type "5.00" in the Quantity field
   d. Select NHD as the Configuration
   e. Select 50 as the Size
   f. Select 01 as the Color

20. Select 2 in the Site field and 21 in the Warehouse field, and then click OK.
21. In the bottom pane, select the line where Test = Screen image and then, click Results.
22. In the Result quantity field, type "5.00" and then in the Outcome drop-down select Blurred image.
23. Close the Quality order line results form.
24. In the bottom pane, select the line where Test = Tuner functioning and then click Results.
25. In the Result quantity field, type "5.00".
26. Close the Quality order line results form.
27. In the bottom pane, select the line where Test = Sound quality and then click Results.
28. In the Result quantity field, type "5.00".
29. Close the Quality order line results form.
30. In the Quality orders form, click Validate.
31. In the Validated by field, select Pedro Gutierrez.
32. Click OK.
   Notice how the Status field for the first quality order is Pass, and the status for the second quality order is Fail.
33. Close the Quality orders form.
Working with a Non Conformance

Non conformance describes products and items that do not comply with predefined performance or quality standards. Non conformance might also apply to customer service or internal problems, such as customer complaints or production issues.

The problem source is termed a non conformance type. Assign a non conformance type, its detailed source information, and the associated problem type when you create a non conformance. There are five non conformance types, and the detailed source information varies by type, as described in the following table.

The detailed source information is optional, and a non conformance can be created without detailed source information.

<table>
<thead>
<tr>
<th>Non conformance type</th>
<th>Detailed source information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>Customer account number, sales order number, or a lot number of a sales order transaction. For example, the non conformance can relate to a specific sales order shipment, or to customer feedback about product quality.</td>
</tr>
<tr>
<td>Internal</td>
<td>Quality order number or a lot number of a quality order transaction. For example, the non conformance can relate to the tests that are performed as part of a quality order, or to an employee's concern about product quality.</td>
</tr>
<tr>
<td>Production</td>
<td>Production order number or a lot number of a production order transaction. For example, the non conformance can relate to a specific batch that is produced.</td>
</tr>
<tr>
<td>Service request</td>
<td>Customer account number, sales order number, or lot number of a sales order transaction. For example, the non conformance can relate to a specific sales order shipment, or to a customer's complaint about item quality.</td>
</tr>
<tr>
<td>Vendor</td>
<td>Vendor account number, purchase order number, or a lot number of a purchase order transaction. For example, the non conformance can relate to a purchase order receipt or to a vendor's concern about a part that they supply.</td>
</tr>
</tbody>
</table>
A non conformance is created that has an approval status of New. This represents a request for action. A non conformance can be approved or refused (which changes the approval status to Approved or Refused) to indicate that action will or will not be taken on the non conformance.

You can close a non conformance (as indicated by a separate check box) to indicate that it is finished, or reopen a non conformance to indicate that additional consideration is required.

A non conformance is created through the Non conformances reference form. This can be accessed from the following locations:

- Inventory and warehouse management > Periodic > Quality management > Non conformances
- Inventory and warehouse management > Periodic > Quality management > Quality orders > Inquiries > Non conformances

The Non conformances form can also be used to perform related operations and functions for a specific record, such as generating miscellaneous charges for related operation costs or tagging a non conformance for quarantine.

**Procedure: Create a Problem Type**

To create a problem type, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality management > Problem types.
2. Click New to create a new problem type.
3. In the Problem type field, type the name of the problem type.
4. Type a description in the Description field.

![FIGURE 7.12 PROBLEM TYPE ASSOCIATION WITH A NON CONFORMANCE TYPE](image)

**Procedure: Attach a Problem Type to a Non Conformance Type**

To attach a problem type to a non conformance type, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality management > Problem types.
2. Select or create a new problem type.
3. Click Non conformance types. The Problem/Non conformance types validation form opens.
4. Select a non conformance type inside the Non conformance type field.
5. Click New to attach the problem type to more than one non conformance type.

**Procedure: Create a Non Conformance**

To create a non conformance, follow these steps:

1. Open Inventory and warehouse management > Periodic > Quality management > Non conformances.
2. Click New to create a new non conformance. The Create non conformance form opens.
3. In the **Non conformance type** field, select the non conformance type. The types include customer, internal, production, service request, and vendor.

4. In the **Reported by** field, select the name of the employee reporting the non conformance.

5. In the **Item number** field, select the name of the item that is non conforming.

6. In the **Worker responsible** field, select the supervisor or manager who is responsible for the worker who identified and created the nonconformance record.

7. In the **Problem type** field, select the problem that is causing the non conformance. Problem types are filtered by the Non conformance type.

8. In the References group, enter or change the remaining information, depending on the non conformance type. For example, if vendor was selected as the **Not conformance** type, you would select the vendor and purchase order and defective quantity for which the non conformance was found.

9. Click **OK** to save the new record.
Diagnostic Types

The Diagnostic types form (Inventory and warehouse management > Setup > Quality management > Diagnostic types) is used to set up, edit, and view the types of diagnostic actions that are planned to be used to process and correct nonconformances.

![Diagram of Diagnostic Types Form]

**FIGURE 7.13 DIAGNOSTIC TYPES FORM**

**Procedure: Create a Diagnostic Type**

To create a diagnostic type, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality management > Diagnostic types.
2. Click New to create a new diagnostic type.
3. In the Diagnostic field, type the name or identifier.
4. Optionally, type a description in the Description field.

Operations

The Operations form (Inventory and warehouse management > Setup > Quality management > Operations) is used to set up, edit, and view various operations or activities that a company might use to process or resolve nonconformances. This form can also be used to assign an operation to a specific nonconformance.
Example: Working with the Operations Form

A company produces lamps for distribution to retailers. During a quality test, a lamp is found to have faulty wiring. The Operations form is used to set up an operation to correct the wiring.

Procedure: Create an Operation

To create an operation, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality management > Operations.
2. Click New to create a new operation.
3. In the Operation field, type the name or identifier.
4. In the Description field, type a description text.
5. In the Type field, select either Purchase order or Sales order.

Procedure: Add an Operation to a Non Conformance

To add an operation to a non conformance, follow these steps:

1. Open Inventory and warehouse management > Periodic > Non conformance.
2. Select the non conformance to which a related operation is being added.
3. Click Related operations. The Related operations form appears.
4. Select an operation in the Operation field.
5. Type a reason for the related operation in the Reason field.
6. Select a sales order or purchase order in the Sales order or Purchase order field, depending on the Type that is applied to the operation.

NOTE: To add a related operation to a non conformance, the non conformance must be approved. Otherwise, the Related operations button is not available.

Related Operations

One or more related operations can be optionally defined for an approved non conformance.

A related operation describes the work that must be performed, expressed as a selected operation (from a predefined list of user-defined quality operations) and descriptive text about the reason for the work.

After you define an operation, if it is necessary, optionally define the charges, items, and time sheet labor hours that are required to perform the work.
The calculated costs are shown for the related operation, and the total calculated costs are shown for the non conformance. The calculated costs and the underlying detail (about items, labor hours, and charges) represent reference information, and are only used within the quality management feature.

**Quality Charges**

The Quality charges *(Inventory and warehouse management > Setup > Quality management > Quality charges)* form is used to set up, edit, and view different types of charges that can be incurred when a user performs activities or operations that are related to non conformance.

**Example: Creating a Quality Charge**

A company must ship a damaged part to a vendor for repair. The Quality charges form is used to add the shipping cost to the non conformance.

**Procedure: Create a Quality Charge**

To create a quality charge, follow these steps:

1. Open Inventory and warehouse management > Setup > Quality management > Quality charges.
2. Click New to create a new quality charge.
3. In the Charges code field, type the name or identifier.
4. Optionally, type the description in the Description field.

**Procedure: Create a Quality Charge for a Non Conformance**

To create a quality charge for a non conformance, follow these steps:

*HINT: To add a quality charge, the related activity to which the charge applies must be added first.*

1. Open Inventory and warehouse management > Periodic > Non conformance.
2. Select the non conformance (refer to the earlier hint).
3. Click Related operations. The Related operations form opens.
4. Click Quality charges. The Quality charges form opens.
5. In the Quality code field, select the type of charge.
6. In the Charges value field, type the charge.
7. Optionally, type a description or comment in the Transaction text field.
Quarantine Zones

The **Quarantine zone (Inventory and warehouse management > Setup > Quality management > Quarantine zones)** form is used to set up, edit, and view quarantine zones for a company.

Quarantine zones are used to determine and tag items that do not meet conformance standards to prevent the items from being used or released.

Non Conformance Corrections

You can also use the quality management functionality to optionally define one or more corrections for an approved non conformance.

Corrections identify what type of diagnostic action must be performed, who must perform it, and a requested date and a planned date for completing the diagnostic action. You must predefine the diagnostic types and assign one to a corrective action. Additionally, you must indicate that the diagnostic step is finished by changing the status of a correction to end. The status can be reopened.

Comments can also be entered for a correction by using the document handling capabilities.

Corrections can be accessed directly from **Inventory and warehouse management > Periodic > Quality management > Corrections** or the **Non conformances** form (select an approved non conformance record and then click **Correction**).

*NOTE: Corrections can only be made to approved non conformances.*

![FIGURE 7.14 NON CONFORMANCE CORRECTIONS](image)
Quality Reports and Certificates

Three reports are provided to support the quality management functionality. They can be found in **Inventory and warehouse management > Reports > Quality management**.

- Non conformance report
- Non conformance tag
- Correction report

**Non Conformance Report**

The **Non conformance** report displays identification information such as the non conformance number, item, and problem type. The report displays the related notes based on your report setup policies. Reports can be selectively generated based on selection criteria, such as the non conformance number, item, customer, vendor, or status that are associated with a non conformance.

**Inventory and warehouse management > Reports > Quality management > Non conformance report**

**Non Conformance Tag**

The non conformance tag displays identification information such as the non conformance number and item. The tag displays the related notes based on the report setup policies. The tag also displays the quarantine zone and type (such as restricted usage versus unusable) that is assigned to the non conformance to guide disposition of the defective material.
Correction Report

The Correction report displays identification information about the non conformance and the related non conformance notes, in addition to the correction information (such as the diagnostic) and related correction notes. The report displays the related correction notes based on the report setup policies.

Certificate of Analysis

The Certificate of analysis form is used to manually prepare a certificate of analysis for a quality order. A certificate of analysis certifies that materials or products are tested and found to comply with predefined specifications or standards.
The Certificate of analysis form can be accessed from the following locations:

- **Inventory and warehouse management > Inquiries > Quality management > Certificate of analysis.**
- **Inventory and warehouse management > Periodic > Quality management > Quality orders.** Click Inquiries and select Certificate of analysis.

The Certificate of analysis form supports the multisite feature.

**Procedure: Create and Print a Certificate of Analysis**

To create and print a certificate of analysis, follow these steps:

1. Open **Inventory and warehouse management > Periodic > Quality management > Quality orders.**
2. Select the quality order for which a certificate of analysis is required.
3. Click **Inquiries.**
4. Select **Create certificate of analysis.** The Certificate of analysis form is displayed.
5. Click **New** to create a new record and enter the information.
6. If a view or print of the certificate of analysis is required, click **Print.** Then, accept or change the default print parameters and then click **OK.** The certificate of analysis displays for viewing.
7. To print the certificate of analysis, click the **Print** icon. Then, accept or change the default print specifications and then click **OK.**

**Summary**

The quality management functionality offers full integration for managing quality processes and non conformances for a company. It will help manage, track, and handle quality processes and issues.

The quality management functionality consist of two primary components:

- **Quality Control:** includes the following:
  - Specifying the test instruments that are used to perform the tests
  - Identifying test locations where the tests are held
  - Defining the test specifications that determine whether test items meet the quality standards
  - Creating the quality order and certificates of analysis

- **Quality Management:** management of non conforming products and items, in addition to tracking and resolution of customer, vendor, and internal problems.

Quality Management described the benefits and basic functionality of quality management.
Test Your Knowledge

Test your knowledge with the following questions.

1. Where is the quality management feature enabled?
   - ( ) Production parameters form
   - ( ) Accounts receivable parameters form
   - ( ) Inventory and warehouse management parameters form
   - ( ) Accounts payable parameters form

2. Determine what kind of test measurement type is described in this example. A cake must be tested to count the number of whole raisins inside.
   - ( ) Fraction
   - ( ) Option
   - ( ) Integer
   - ( ) Any of the these

3. A company’s guidelines require a random check of at least 50 pieces in every shipment that is received from a new vendor during the first 90 days of the relationship. Which form do you set this up in?
   - ( ) Variables
   - ( ) Item sampling
   - ( ) Test groups
   - ( ) Test instruments

4. If there is a destructive test for a purchase order of 100 items with destructive test of 2 percent. What does the inventory transaction resemble after the validation of the quality order?
   - ( ) Purchase order + 100 Received, Quality order - 2 Sold
   - ( ) Purchase order + 100 Received, Quality order - 2 On order (or Reserved physical, Picked or whatever is performed)
   - ( ) Purchase order + 100 Purchased, Quality order - 2 Sold
   - ( ) Purchase order + 98 Purchased, Quality order - 2 Sold
5. What form do you set up the creation automatic of quality orders?
   ( ) Quality orders
   ( ) Quality groups
   ( ) Operations
   ( ) Quality association

6. Which non conformance type is described here: "Quality order number or a lot number of a quality order transaction"? For example, the non conformance can relate to the tests that are performed as part of a quality order, or to an employee's concern about product quality.
   ( ) Customer
   ( ) Internal
   ( ) Service request
   ( ) Vendor
Quick Interaction: Lessons Learned

Take a moment and write down three key points you have learned from this chapter

1. 

2. 

3. 

Solutions

Test Your Knowledge

1. Where is the quality management feature enabled?
   - ( ) Production parameters form
   - ( ) Accounts receivable parameters form
   - (●) Inventory and warehouse management parameters form
   - ( ) Accounts payable parameters form

2. Determine what kind of test measurement type is described in this example. A cake must be tested to count the number of whole raisins inside.
   - ( ) Fraction
   - ( ) Option
   - (●) Integer
   - ( ) Any of the these

3. A company’s guidelines require a random check of at least 50 pieces in every shipment that is received from a new vendor during the first 90 days of the relationship. Which form do you set this up in?
   - ( ) Variables
   - (●) Item sampling
   - ( ) Test groups
   - ( ) Test instruments

4. If there is a destructive test for a purchase order of 100 items with destructive test of 2 percent. What does the inventory transaction resemble after the validation of the quality order?
   - (●) Purchase order + 100 Received, Quality order - 2 Sold
   - ( ) Purchase order + 100 Received, Quality order - 2 On order (or Reserved physical, Picked or whatever is performed)
   - ( ) Purchase order + 100 Purchased, Quality order - 2 Sold
   - ( ) Purchase order + 98 Purchased, Quality order - 2 Sold
5. What form do you set up the creation automatic of quality orders?
   ( ) Quality orders
   ( ) Quality groups
   ( ) Operations
   ( ) Quality association

6. Which non conformance type is described here: "Quality order number or a lot number of a quality order transaction"? For example, the non conformance can relate to the tests that are performed as part of a quality order, or to an employee's concern about product quality.
   ( ) Customer
   ( ) Internal
   ( ) Service request
   ( ) Vendor