ERPVITS

SAP MM Interview Questions & Answers

Freshers | Consultants | Testing Roles — Complete Guide

SAP MM Interview Questions for Freshers

Q1. What is the Procure-to-Pay (P2P) Cycle in SAP MM?

The P2P cycle starts with an internal **Purchase Requisition (PR)**, which serves as an internal document requesting materials or services from vendors. After reviewing vendor quotations, an **RFQ** is sent out for quotation by vendors, followed by creating a **Purchase Order (PO)**, whereupon vendor delivery a **Goods Receipt (GR)** is posted upon vendor delivery followed by invoice verification using **Logistics Invoice Verification (MIRO)**, followed by payment being processed through SAP FI.

Q2. What is a Material Master Record and which views does it contain?

In SAP, Material Masters serve as the central repository for material-related data. They offer key views such as:

- Basic Data 1 & 2
- Purchasing
- MRP 1–4
- Accounting 1 & 2
- Sales: General/Plant Data
- Warehouse Management
- Quality Management
- Plant Data / Storage

Each view is administered by a specific functional department at its respective organizational level (Client, Plant, Storage Location or Sales Org Data).

Q3. What is a Vendor Master in SAP MM?

A Vendor Master stores all relevant data about vendors. It contains:

- General Data – Name, Address, Communication Method and Bank Details
- Company Code Data – Reconciliation Account, Payment Terms, Payment Methods
- Purchasing Org Data – Order Currency, Incoterms, Purchasing Group

The Vendor Master is shared between the MM and FI modules.

Q4. What is the Difference between a Purchase Requisition and a Purchase Order?

A **Purchase Requisition (PR)** is an internal document used to request materials or services without creating legal obligations; in contrast, **Purchase Orders (POs)** sent directly to vendors are legal commitments made towards purchasing materials or services from that supplier. Manually generated

PRs can be converted to POs manually by buyers, or automatically via MRP runs.

Q5. What types of stocks can be managed through SAP MM Inventory Management?

Stock Type	Description
Unrestricted	Available for consumption/sale
Quality Inspection	Pending QA approval
Blocked	Not available to be used
Consignment	Vendor-owned stock at buyer site
Pipeline	Commodity stock (oil, gas, water)
Subcontracting	Components at subcontractor site
Project Stock	Allocated to WBS elements

Q6. What are Goods Receipts (GRs), and which documents do they produce?

Goods Receipt (GR) refers to the physical movement of materials after vendor delivery, and in SAP it can be recorded via transaction **MIGO**. Posting a GR simultaneously creates two items for accounting:

1. A **Material Document** – to update inventory/stock quantities
2. An **Accounting Document** – which posts financial entries (Stock A/c Dr, GR/IR A/c Cr)

Q7. What are the key transaction codes in SAP MM?

T-Code	Description
MM01/02/03	Create/Change/Display Material Master
XK01/02/03	Create/Change/Display Vendor Master
ME51N/52N/53N	Create/Change/Display Purchase Requisition
ME21N/22N/23N	Create/Change/Display Purchase Order
ME41/42/43	Create/Change/Display Request for Quotation
MIGO	Goods Receipt / Issue / Transfer Posting
MIRO	Logistics Invoice Verification
MB52	Warehouse Stock Overview
OBYC	Automatic Account Determination Configuration

Q8. What is Split Valuation in SAP MM?

Split Valuation allows a material to have different prices depending on its valuation type – for instance country of origin, batch or quality grade – through transaction **OMWC**. A typical use case would be purchasing raw material from two vendors at different prices that require separate stock accounting; each valuation type receives its own stock account.

SAP MM Interview Questions for 2 to 3 Years Experience

Q9. What is a Source List in SAP MM and when is its use mandatory?

A **Source List** (transaction ME01) defines preferred sources of supply for materials in a plant. If required, MRP will automatically source from only those listed vendors when auto-generating POs or PRs from them; this flagged status can be controlled through MRP's **Source List Required** indicator in Material Master Purchasing View and closely linked with Info Records and Outline Agreements.

Q10. Describe the Outline Agreement Types available in SAP MM.

SAP MM offers two Outline Agreement types:

1. Contracts – Long-term agreements for total quantities or values over an agreed time:
• Quantity Contract (MK) – Fixed total quantities across multiple PO releases
• Value Contract (WK) – Fixed values to be released over time
2. Scheduling Agreements (SAs) – Long-term delivery schedules used in repetitive manufacturing in which specific dates and quantities for delivery have been agreed with vendors in advance. These SAs can either have release documentation attached (forecast/JIT delivery schedules) or exist as agreements without release documentation.

Q11. What is the Difference between MIGO and MIRO?

MIGO – Transaction for goods movements such as GR, GI, Transfer Posting and Return Delivery which updates inventory while simultaneously creating Material Document + Accounting Document records.

MIRO – Logistics Invoice Verification transaction used for processing vendor invoices against POs and GRs, updating vendor liability and GR/IR clearing accounts.

Both are interdependent through a three-way match: PO – GR – Invoice.

Q12. Explain the SAP MM Release Strategy.

A Release Strategy is an approval workflow for PRs and POs. Configuration steps:

1. Establish Release Groups (e.g., for PRs or POs)
2. Specify Release Codes (individual approvers)
3. Define Indicators of Release (status blocked/released)
4. Formulate Release Strategy with Classification Conditions (e.g., total PO value > Rs 1 Million)
5. Determine Release Prerequisites (sequential approvals)
Path: SPRO → MM → Purchasing → Purchase Order → Release Procedure

Q13. How does SAP MM integrate with SAP FI?

Integration between MM-FI occurs principally through **Automatic Account Determination** and the posting of accounting documents:

• On GR posting: Stock Account (Dr) | GR/IR Clearing Account (Cr)
• On MIRO postings: GR/IR Clearing (Dr) | Vendor Account (Cr)
This **three-way match** between PO, Goods Receipts, and Invoice ensures the vendor receives payment only for what was ordered and received – the key configuration transaction being **OBYC**.

Q14. What is the Consignment Process in SAP MM?

When selling goods on consignment, the vendor retains ownership until their sale to the buyer:

1. Generate a Consignment PO (item category **K**)

2. Post GR – moves stock into Consignment Stock (vendor-owned, not on company balance sheet)

3. Withdraw goods via MIGO (movement type 411K) – this action creates a company liability

4. Pay vendor directly using transaction MRKO according to actual consumption

Q15. What is Subcontracting in SAP MM?

Subcontracting involves sending raw materials to an external vendor for processing and receiving back finished or semi-finished goods as the end result:

1. Draft a **Subcontracting PO** (item category **L**)

2. Issue components to the subcontractor (movement type 541)

3. Receive finished goods – components are auto-consumed (movement type 543)

4. Pay the subcontractor through MIRO for services rendered

SAP MM Interview Questions for 5 Years Experience

Q16. How do you manage Pricing Conditions and Condition Types in SAP MM?

Pricing in SAP MM is managed via a **Pricing Procedure (Calculation Schema)**. Key concepts:

• Condition Types (PB00, RA01, FRB1) – managed via MEK1/MEK2 for automatic price proposals

• Schema Determination – determines which pricing procedure applies to a PO based on Purchasing Org + Vendor Schema Group + Document Schema Group

• Step/Counter logic – controls the sequence of condition calculations (Base Price + Discounts / Surcharges / Taxes)

All conditions are automatically applied when creating a PO, providing an estimated final net price.

Q17. Describe end-to-end P2P configuration within SAP MM.

• **Enterprise Structure** – Company Code, Plant, Purchasing Org and Purchasing Group

• **Material Types** – Account Category Reference, Valuation Class Linkage

• **Number Ranges** – for PRs, POs, GR docs and FI documents

• **Release Strategy** – PRs and POs

• **Pricing Procedures**, Schemas and Determinations

• **Automatic Account Determination** – BSX, WRX, PRD and GBB mapping

• **Movement Types** – Standard and Custom with Tolerance Limits for Invoice Verification

• **Output Determination** – print/email/EDI message types

• **Integration** – Storage Location Linkages, Usage Decisions

Q18. What is Material Ledger and its role in SAP MM?

Material Ledger (ML) provides actual costing by recording all price and quantity variations during a period. This enables materials to be valued according to actual rather than standard costs alone. Key aspects:

• Mandatory when using Actual Costing variant

• Supports up to three currencies per valuation area and multi-currency valuation

• Allows multi-level price determination – rolling up variances from raw materials through WIP to finished goods

• Activated per plant within Controlling configuration

• Period closed via Actual Costing Run (CKMLCP)

Q19. How can you process mass changes to Purchase Orders?

• **MEMASSPO** – Standard SAP mass maintenance transaction for POs (bulk update of payment terms, incoterms and delivery dates)
• **LSMW (Legacy System Migration Workbench)** – Structured batch input-based mass changes
• **BAPI_PO_CHANGE** – Programmatic mass updates via an ABAP function module
• **BDC Recordings** – Automated screen-level batch data communication

Tip: Always test in Development or QA before executing in Production; create a backup via change document reports (ME2N/ME2M).

Automatic Account Determination in SAP MM — Interview Questions

Auto Account Determination (AAD) is one of the most often-tested advanced topics in SAP MM interviews, as it allows SAP to automatically post to the correct General Ledger accounts for goods movements and invoice verification without manual selection by users.

Q20. What does Transaction OBYC in SAP MM do?

OBYC is the central configuration transaction for Automatic Account Determination. It links transaction/event keys with specific GL Accounts according to Chart of Accounts and Valuation Class:

• **BSX** (Stock Posting) + Valuation Class 3000 → GL Account 300000 for Raw Material Stock
• **WRX** (GR/IR Clearing) → GL Account 191000 as Clearing
• **PRD** (Price Difference) → GL Account 500000 to reflect Price Differences

Q21. Explain the Transaction/Event Keys used for SAP MM Automatic Account Determination.

Key	Description	Triggered When
BSX	Stock Posting	GR posted – Stock Value Increase
WRX	GR/IR Clearing	GR posted (CR) and MIRO posted (DR)
PRD	Price Difference	Standard price differs from GR value
GBB	Offsetting Entry	Goods Issues, material consumed/scrapped
KON	Consignment Payables	Consignment goods withdrawn
FR1/FRE	Freight Clearing	Freight Condition in PO
AKO	Exchange Rate Difference	Foreign currency PO variance

Q22. What is a Valuation Class and how does it affect Account Determination?

In Material Master (Accounting view), Valuation Classes are assigned to organize materials into groups for GL account determination. The link is:

Material Type → Account Category Reference → Valuation Class → GL Account (via OBYC)

Valuation Classes vary for various material types (Raw Materials = 3000, Finished Goods = 7920), while in OBYC they determine which General Ledger account to post to. A single Material Type can have multiple Valuation Classes for granular accounting requirements (e.g., distinguishing domestic

from imported raw materials).

Q23. What happens during Goods Receipt posting in terms of account determination?

When posting a GR (movement type 101) against a PO for a material with moving average price (MAP):

1. **BSX** (Stock Account) – Debited to increase stock value
2. **WRX** (GR/IR Clearing Account) – Credited to create a liability to vendor
3. **PRD** (Price Difference Account) – Only for Standard Price materials where GR value differs from PO price

All postings are fully automated: the user need only enter quantity and storage location data; SAP determines all GL accounts through the configuration chain automatically.

Q24. How do you troubleshoot an Auto Account Determination error during GR posting?

Follow this diagnostic approach:

1. **OMWB** – Use the Account Determination Simulation to quickly identify which GL account is being determined (or failing)
2. Check **Valuation Class** in Material Master (MM03 → Accounting 1 view)
3. Verify **OBYC Mapping** – ensure each combination of Chart of Accounts, Transaction Key and Valuation Class has an associated GL Account
4. Verify GL Account existence – confirm it is not blocked and posting for the appropriate period is permitted (FS00)
5. Check **Account Assignment Categories** on POs – if 'K' (cost center) or 'F' (order), stock posting can be bypassed and GBB/BSX rules may not apply

Interview Tip: Candidates who can clearly articulate the BSX – WRX – PRD triangle and demonstrate in-depth knowledge of OBYC and OMWB will make an impressionful statement during senior-level SAP MM interviews.

SAP MM Consultant Interview Questions

Q25. What should be the approach during an SAP MM implementation project's Blueprint phase?

During Blueprint, I:

1. Conduct As-Is workshops with client procurement and inventory teams to document current business processes
2. Align these documents with SAP MM standard processes, noting any areas requiring customization
3. Generate To-Be process flows as well as a Configuration Workbook
4. Determine integration points among Finance, SD, PP, WM and QM teams for cross-functional alignment
5. Deliver the Business Blueprint Document (BBD) signed off by process owners

Q26. What is a Functional Specification and when should one be written?

A **Functional Specification (FS)** is a document written by a functional consultant to convey business requirements to an ABAP/technical development team. A Functional Specification is necessary when standard SAP cannot meet a business need and custom development is required (User Exit, BAdI

Enhancements or custom Report/Form/Interface creation). A robust Functional Specification contains:

- Business Requirements & Process Context
- Input/Output Fields with Sample Data
- Validation Rules & Error Handling Logic
- Authorization Requirements
- Test Scenarios & Acceptance Criteria

Q27. How do you control Scope Creep during an SAP MM Project?

I follow a comprehensive Change Management process:

1. Submit a formal **Change Request (CR)**
2. Assess its potential effects on timeline, budget and existing configuration
3. Present options to the Project Manager and Steering Committee – inclusion (with timeline adjustments), deferral to Phase 2, or rejection with documented justification
4. Secure official approval before beginning work on any projects
5. Revamp Project Plan, Configuration Workbook and Test Plan as appropriate

SAP MM Testing Interview Questions & Answers

Q28. What types of testing are conducted during an SAP MM implementation?

Test Type	Description
Unit Testing	Proving individual configuration objects by themselves
Integration Testing	End-to-end P2P flows and cross-module scenarios (MM-FI, MM-SD)
Regression Testing	Performed after system changes or transports
UAT	Validated by business users before Go-Live
Negative Testing	Validating error messages, field validations and rejection scenarios
Performance Testing	Analyzing high-volume scenarios such as mass PO creation or month-end closing

Q29. How do you write a Test Case for Goods Receipt in SAP MM?

Test Case ID: TC_MM_GR_001

Description: Goods Receipt against Standard PO – Vendor Delivery Note Received

Steps in Execution:

1. Launch MIGO and choose 'Goods Receipt' / 'Purchase Order'
2. Enter PO number – Press Enter
3. Verify item data (material, quantity, storage location etc.)
4. Input Vendor Delivery Note number and Document Date
5. Check 'Item OK' box
6. Click POST

Expected Results:

- Material Document created (50XXXXXXXX)

- Accounting Document produced with entries for BSX and WRX
- PO History updated (GR quantity reflected)
- Unrestricted Stock increased in MB52

Pass/Fail: Pass

Q30. What are the differences between UAT and Integration Testing in SAP MM?

Integration Testing – Executed by the functional/technical team to validate that SAP MM configuration works appropriately with integrated modules. For instance, verifying if a GR generated in MM produces the proper accounting document in FI with relevant GL accounts.

User Acceptance Testing (UAT) – Executed by the actual business users (not the implementation team) to confirm the system meets business requirements and that users can perform their day-to-day tasks correctly before Go-Live sign-off.

Q31. What tools are typically utilized for SAP testing?

- **SAP Solution Manager** – CBTA (Component-Based Test Automation)
- **HP ALM/Quality Center** – Test management, defect tracking
- **Tricentis Tosca** – Model-based test automation for SAP GUI and Fiori applications
- **Worksoft Certify** – Automated SAP process testing
- **Azure DevOps / JIRA** – Test planning and defect management
- **SAP GUI** – Direct manual testing in the system