



## Microsoft

### Exam Questions AB-731

AI Transformation Leader (beta)

**NEW QUESTION 1**

What is considered a best practice when forming an AI adoption team in an enterprise environment?

- A. Include representatives from legal, leadership, and business units to align AI initiatives with organizational priorities.
- B. Include primarily IT and project management staff initially to streamline deployment, adding governance and compliance roles later.
- C. Include only data scientists and engineers at first to validate technical feasibility, then add other stakeholders later.
- D. Include procurement and vendor management specialists early to evaluate AI tools, involving business teams once a platform is selected.

**Answer:** A

**Explanation:**

Enterprise AI adoption succeeds when it is cross-functional from the start. Option A is best practice because AI impacts legal risk, privacy, security, compliance, workforce processes, and business strategy—not just technology. Including leadership ensures alignment to priorities and funding; including business units ensures use cases and success metrics are real; including legal/compliance ensures responsible AI and regulatory obligations are addressed early. This prevents rework and reduces the chance of deploying solutions that are misaligned with policy or unacceptable risk.

Options B and C delay governance and business alignment, which often leads to “build first, govern later” failure modes—solutions that work technically but cannot be approved or scaled due to privacy/security gaps or unclear accountability. Option D over-optimizes for vendor selection without ensuring the organization has defined responsible AI requirements, target use cases, and operating model. Procurement is important, but it is not the primary driver of a successful adoption team. The most sustainable approach is a representative adoption team that integrates business, technical, and governance stakeholders from day one.

**NEW QUESTION 2**

HOTSPOT

For each of the following statements, select Yes if the statement is true. Otherwise, select No. NOTE: Each correct selection is worth one point.

**Answer Area**

Statements	Yes	No
A generative AI solution is well-suited to predict next-quarter sales trends.	<input type="radio"/>	<input type="radio"/>
A generative AI solution can summarize lengthy policy documents.	<input type="radio"/>	<input type="radio"/>
A generative AI solution can create product descriptions from product specifications.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

**Answer:** A

**Explanation:**

**Answer Area**

Statements	Yes	No
A generative AI solution is well-suited to predict next-quarter sales trends.	<input type="radio"/>	<input checked="" type="radio"/>
A generative AI solution can summarize lengthy policy documents.	<input checked="" type="radio"/>	<input type="radio"/>
A generative AI solution can create product descriptions from product specifications.	<input checked="" type="radio"/>	<input type="radio"/>

**NEW QUESTION 3**

HOTSPOT

HOTSPOT - Select the answer that correctly completes the sentence. Microsoft 365 Copilot can be used to .

**Answer Area**

Microsoft 365 Copilot can be used to

▼

- monitor network traffic and alerts in real time.
- create a Microsoft Word document.
- create a list in Microsoft SharePoint.
- modify administrative permissions for Microsoft SharePoint files.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Microsoft 365 Copilot can be used to

monitor network traffic and alerts in real time.

create a Microsoft Word document.

create a list in Microsoft SharePoint.

modify administrative permissions for Microsoft SharePoint files.

**NEW QUESTION 4**

HOTSPOT

For each of the following statements, select Yes if the statement is true. Otherwise, select No. NOTE: Each correct selection is worth one point.

Answer Area

Statements	Yes	No
Microsoft Foundry provides a unified platform for developers and data professionals to create custom end-to-end AI solutions.	<input type="radio"/>	<input type="radio"/>
Microsoft Foundry provides a unified platform for low-code developers and business users to create custom end-to-end AI solutions.	<input type="radio"/>	<input type="radio"/>
You need a Microsoft 365 Copilot license to access Microsoft Foundry services.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Statements	Yes	No
Microsoft Foundry provides a unified platform for developers and data professionals to create custom end-to-end AI solutions.	<input checked="" type="radio"/>	<input type="radio"/>
Microsoft Foundry provides a unified platform for low-code developers and business users to create custom end-to-end AI solutions.	<input type="radio"/>	<input checked="" type="radio"/>
You need a Microsoft 365 Copilot license to access Microsoft Foundry services.	<input type="radio"/>	<input checked="" type="radio"/>

**NEW QUESTION 5**

HOTSPOT

- For each of the following statements, select Yes if the statement is true. Otherwise, select No. NOTE: Each correct selection is worth one point.

Answer Area

Statements	Yes	No
Prompt engineering changes how a generative AI model was trained.	<input type="radio"/>	<input type="radio"/>
Prompt engineering focuses on designing clear, concise, and context-rich instructions.	<input type="radio"/>	<input type="radio"/>
Effective prompt engineering involves maximizing the number of tokens used in each request.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

Answer: A

**Explanation:**

**Answer Area**

**Statements**

Prompt engineering changes how a generative AI model was trained.

Yes

No

Prompt engineering focuses on designing clear, concise, and context-rich instructions.



Effective prompt engineering involves maximizing the number of tokens used in each request.



**NEW QUESTION 6**

Your company uses a fine-tuned generative AI solution trained on data that is representative of the general population. You discover that some of the generated responses include inappropriate or exclusionary language based on ableist assumptions. You need to prevent the inappropriate responses. Your solution must minimize costs. What should you do?

- A. Apply a newer version of the generative AI model.
- B. Apply a content-moderation filter.
- C. Create a new version of the solution that is trained on only inclusive and representative content.
- D. Create a new version of the solution that is trained on only exclusionary content.

**Answer: B**

**NEW QUESTION 7**

**HOTSPOT**

HOTSPOT - Select the answer that correctly completes the sentence.

You use \_\_\_\_\_ to train a model that will forecast product demand based on historical sales data.

You use  to train a model that will forecast product demand based on historical sales data.

- Azure Machine Learning
- Azure AI Search
- Azure OpenAI
- Microsoft Foundry

- A. Mastered
- B. Not Mastered

**Answer: A**

**Explanation:**

You use  to train a model that will forecast product demand based on historical sales data.

- Azure Machine Learning
- Azure AI Search
- Azure OpenAI
- Microsoft Foundry

**NEW QUESTION 8**

You are exploring how Microsoft 365 Copilot uses Microsoft Graph to deliver AI-powered experiences. Which information in Microsoft Graph can Copilot use by default?

- A. emails, files, meetings, and chats in Microsoft 365
- B. data stored in a file share
- C. social media activity
- D. content from public websites

**Answer: A**

**NEW QUESTION 9**

**HOTSPOT**

Select the answer that correctly completes the sentence. The Researcher agent in Microsoft 365 Copilot .

Answer Area

The Researcher agent in Microsoft 365 Copilot

creates visual dashboards from structured data in Microsoft Excel and Power BI.  
 generates a pivot table and performs time series forecasting.  
 performs complex, multi-step, data analysis and code execution tasks over arbitrary datasets.  
 uses reasoning capabilities to generate deep insights based on organizational data and the web.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

The Researcher agent in Microsoft 365 Copilot

creates visual dashboards from structured data in Microsoft Excel and Power BI.  
 generates a pivot table and performs time series forecasting.  
 performs complex, multi-step, data analysis and code execution tasks over arbitrary datasets.  
 uses reasoning capabilities to generate deep insights based on organizational data and the web.

NEW QUESTION 10

HOTSPOT

Select the answer that correctly completes the sentence. Prompt engineering is the process of \_\_\_\_\_.

Answer Area

Prompt engineering is the process of

integrating AI-powered tools into business workflows.  
 identifying and fixing errors in AI-generated content.  
 designing, developing, and training generative AI models to produce contextually relevant content.  
 crafting clear instructions to guide generative AI solutions in generating context-appropriate content.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

crafting clear instructions to guide generative AI solutions in generating context-appropriate content.  
 Prompt engineering is fundamentally about how you communicate intent to a generative AI model so it produces outputs that meet business expectations. The best completion is "crafting clear instructions to guide generative AI solutions in generating context-appropriate content" because it captures the practical, day-to-day discipline: shaping the input (prompt) with the right task framing, constraints, context, and output format.  
 In real deployments, prompt engineering includes specifying the role and objective (for example, "act as a customer support agent"), providing the necessary context (product details, policy excerpts, audience), adding explicit requirements (tone, length, must/must-not statements), and defining structured output (JSON fields, bullet sections, headings). It can also include adding examples (few-shot prompting), clarifying what to do when information is missing, and instructing the model to cite only provided sources or to ask follow-up questions. These techniques reduce ambiguity, improve consistency, and lower the risk of hallucinations or off-brand responses.  
 The other options are not accurate definitions. "Integrating AI-powered tools into business workflows" describes solution adoption/integration, not prompt engineering. "Identifying and fixing errors in AI-generated content" is review/editing or quality assurance. "Designing, developing, and training generative AI models" is model development/ML engineering. Prompt engineering operates without changing model weights; it's about steering model behavior through well-constructed instructions and context.

NEW QUESTION 10

Your company manages an online catalog of office supplies. You plan to use a generative AI solution to create product descriptions for your company's website. The solution must ensure descriptions can be posted immediately after creation, enable selection/inclusion of product details, and be fast and simple for non-technical staff. What is the best type of solution to use? Select the BEST answer.

- A. custom Azure Machine Learning model
- B. the Researcher agent in Microsoft 365 Copilot
- C. an interactive AI agent
- D. a fine-tuned large language model LLM

Answer: D

NEW QUESTION 13

In which scenario is Azure Machine Learning most likely to deliver strategic value for an organization?

- A. Using historical sales data to forecast demand across product categories.
- B. Digitizing a paper-based process to reduce errors.
- C. Entering customer feedback into a spreadsheet to understand sentiment.
- D. Sending personalized emails to customers based on the customer location.

**Answer:** A

**NEW QUESTION 18**

**HOTSPOT**

- For each of the following statements, select Yes if the statement is true. Otherwise, select No. NOTE: Each correct selection is worth one point.

**Answer Area**

Statements	Yes	No
Retrieval Augmented Generation (RAG) architectures require that a large language model (LLM) be retrained on proprietary data.	<input type="radio"/>	<input type="radio"/>
Retrieval-Augmented Generation (RAG) grounds a language model to produce more factual and context-relevant responses.	<input type="radio"/>	<input type="radio"/>
Retrieval Augmented Generation (RAG) retrieves information from external knowledge sources at runtime instead of relying solely on the knowledge of a generative AI model.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

**Answer:** A

**Explanation:**

**Answer Area**

Statements	Yes	No
Retrieval Augmented Generation (RAG) architectures require that a large language model (LLM) be retrained on proprietary data.	<input type="radio"/>	<input checked="" type="radio"/>
Retrieval-Augmented Generation (RAG) grounds a language model to produce more factual and context-relevant responses.	<input checked="" type="radio"/>	<input type="radio"/>
Retrieval Augmented Generation (RAG) retrieves information from external knowledge sources at runtime instead of relying solely on the knowledge of a generative AI model.	<input checked="" type="radio"/>	<input type="radio"/>

**NEW QUESTION 23**

Your company is developing an AI-powered customer support agent. You need to ensure that the solution follows Microsoft responsible AI principles. Which two actions should you perform? Select the two BEST answers. Each correct answer presents part of the solution.

- A. Retain all customer conversations.
- B. Test the agent to ensure that responses are inclusive and culturally sensitive.
- C. Enable the agent to operate independently.
- D. Ensure that the agent can be used for multiple purposes.
- E. Provide a clear disclaimer that users are interacting with an AI solution.

**Answer:** BE

**NEW QUESTION 28**

You need to create a custom Azure Machine Learning model. The data used to train the model is consistent and uniform. What should you do first?

- A. Prepare the training data.
- B. Evaluate the model.
- C. Train the model.
- D. Tune hyperparameters.
- E. Deploy the model.

**Answer:** A

**Explanation:**

Even when training data is already consistent and uniform, the first step in building a custom Azure Machine Learning model is still to prepare the training data. Consistent data reduces the amount of cleaning you may need, but preparation is broader than cleaning: you still must confirm the schema, validate data types, handle missing values (if any), ensure label quality (for supervised learning), select/engineer features, and split data into training/validation/test sets. Those actions determine whether training will be stable and whether evaluation metrics will be meaningful. If you skip preparation and go directly to training (C), the model might learn from the wrong columns, inconsistent labels, or poorly partitioned data, producing misleading results. Evaluation (B) comes after training because you need a trained model to score and measure. Hyperparameter tuning (D) is an optimization activity that presupposes you already have a working training pipeline and a baseline model to improve. Deployment (E) is last, after you have validated performance and selected the model candidate. Azure Machine Learning commonly operationalizes these steps through pipelines, where data preparation is a foundational stage that precedes training and

evaluation (and can also be iterated as you refine features and quality).

**NEW QUESTION 32**

HOTSPOT

- For each of the following statements, select Yes if the statement is true. Otherwise, select No. NOTE: Each correct selection is worth one point.

**Answer Area**

Statements	Yes	No
Microsoft 365 Copilot can amplify existing data governance challenges.	<input type="radio"/>	<input type="radio"/>
Implementing Microsoft 365 Copilot reduces data management costs.	<input type="radio"/>	<input type="radio"/>
Microsoft 365 Copilot can help IT teams manage data risks.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

**Answer:** A

**Explanation:**

**Answer Area**

Statements	Yes	No
Microsoft 365 Copilot can amplify existing data governance challenges.	<input checked="" type="radio"/>	<input type="radio"/>
Implementing Microsoft 365 Copilot reduces data management costs.	<input type="radio"/>	<input checked="" type="radio"/>
Microsoft 365 Copilot can help IT teams manage data risks.	<input checked="" type="radio"/>	<input type="radio"/>

**NEW QUESTION 37**

HOTSPOT

- Select the answer that correctly completes the sentence. The Analyst agent in Microsoft 365 Copilot .

**Answer Area**

The Analyst agent in Microsoft 365 Copilot

compiles background research for a new market or initiative.

enables you to generate audio summaries of select references.

uses a conversational agent to answer employee FAQs.

uses structured data and provides insights by using text, charts, tables, and other visuals.

- A. Mastered
- B. Not Mastered

**Answer:** A

**Explanation:**

**Answer Area**

The Analyst agent in Microsoft 365 Copilot

compiles background research for a new market or initiative.

enables you to generate audio summaries of select references.

uses a conversational agent to answer employee FAQs.

uses structured data and provides insights by using text, charts, tables, and other visuals.

**NEW QUESTION 39**

Your company plans to use generative AI to help project managers and engineers work with construction blueprints stored as PDF files. You need to recommend a generative AI solution that processes both images and text, summarizes building design, answers questions, and extracts information such as locations of electrical, heating, and plumbing systems. What should you recommend?

- A. a multi-modal solution
- B. an optical character recognition OCR solution
- C. a text completion solution
- D. a document summarization solution

**Answer:** A

**Explanation:**

Construction blueprints in PDFs often contain a mix of text, symbols, linework, and diagrams. The requirements include understanding both visual layout (where systems are located) and textual annotations, producing summaries, and answering Q & A. That combination requires a multimodal generative AI approach—models that can reason over images and text together. Therefore, A is best.

OCR alone (B) can extract printed text, but it won't reliably interpret diagram geometry, symbols, or spatial relationships (e.g., "electrical riser is on the east core near gridline B-4"). Text completion (C) is too generic and doesn't address image understanding. Document summarization (D) is only one requirement (summary) and still depends on first extracting/understanding both visual and textual elements.

A multimodal solution can ingest the PDF pages as images (or rendered page images) plus extracted text, then answer questions grounded in both modalities. In practice, you may combine OCR and layout extraction with a multimodal LLM so the model can reference drawing regions, legends, callouts, and system diagrams to produce accurate explanations and field extractions.

**NEW QUESTION 41**

**HOTSPOT**

For each of the following statements, select Yes if the statement is true. Otherwise, select No. NOTE: Each correct selection is worth one point.

**Answer Area**

Statements	Yes	No
Retrieval Augmented Generation (RAG) requires model fine-tuning.	<input type="radio"/>	<input type="radio"/>
Retrieval Augmented Generation (RAG) is helpful when you need a generative AI solution that can access current, verifiable information.	<input type="radio"/>	<input type="radio"/>
Retrieval Augmented Generation (RAG) enables you to get more relevant responses based on your organization's documents without retraining the base model.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

**Answer:** A

**Explanation:**

**Answer Area**

Statements	Yes	No
Retrieval Augmented Generation (RAG) requires model fine-tuning.	<input type="radio"/>	<input checked="" type="radio"/>
Retrieval Augmented Generation (RAG) is helpful when you need a generative AI solution that can access current, verifiable information.	<input checked="" type="radio"/>	<input type="radio"/>
Retrieval Augmented Generation (RAG) enables you to get more relevant responses based on your organization's documents without retraining the base model.	<input checked="" type="radio"/>	<input type="radio"/>

**NEW QUESTION 46**

Your company manages a website that publishes daily news articles. You need to recommend an AI solution that can analyze text and identify the main people, locations, and companies mentioned in the articles. What should you include in the recommendation?

- A. Azure Language in Foundry Tools
- B. Content Safety in Foundry Control Plane
- C. Azure Vision in Foundry Tools
- D. Azure Speech in Foundry Tools

**Answer:** A

**Explanation:**

The requirement is to analyze text and identify people, locations, and companies mentioned in news articles. This is a classic Named Entity Recognition (NER)/entity extraction scenario, which falls under natural language processing. Azure Language in Foundry Tools is the correct choice because it provides text analytics capabilities that detect and categorize entities in unstructured text—commonly including Person, Location, and Organization. This enables downstream experiences such as topic tagging, search filters (e.g., "all articles mentioning Company X"), trend dashboards (top people/places mentioned this week), and improved

content discovery.

The other options do not match the requirement. Content Safety focuses on moderating harmful or policy-violating content (for example, hate, violence, self-harm, sexual content) and is not the primary tool for extracting named entities. Azure Vision is for analyzing images and performing OCR; it would only be relevant if the articles were images or scans, but the task here is entity extraction from text articles. Azure Speech is for speech-to-text, text-to-speech, and audio analysis; it would be used if your input were audio recordings rather than written articles.

Therefore, to identify key entities (people, locations, companies) from daily news article text, the best recommendation is Azure Language in Foundry Tools.

**NEW QUESTION 49**

Your company plans to use generative AI to help summarize and analyze internal business documents. You need to recommend a solution to prevent generative AI from accessing confidential or classified information. What should you include in the recommendation?

- A. an information barrier (IB) policy
- B. data governance
- C. a data retention policy
- D. communication monitoring

**Answer: B**

**NEW QUESTION 50**

HOTSPOT

Select the answer that correctly completes the sentence.

When a generative AI model produces output that seems realistic but contains incorrect information, the behavior is known as .

Answer Area

When a generative AI model produces output that seems realistic but contains incorrect information, the behavior is known as

data leakage.

model inaccuracy.

overreliance.

prompt injection.

- A. Mastered
- B. Not Mastered

**Answer: A**

**Explanation:**

Answer Area

When a generative AI model produces output that seems realistic but contains incorrect information, the behavior is known as

data leakage.

model inaccuracy.

overreliance.

prompt injection.

**NEW QUESTION 51**

HOTSPOT

HOTSPOT - For each of the following statements, select Yes if the statement is true. Otherwise, select No. NOTE: Each correct selection is worth one point.

Answer Area

Statements

You can use Azure Language in Foundry Tools to analyze the sentiment of customer reviews.

Yes

No

You can use Azure Language in Foundry Tools to translate internal reports into multiple languages.



You can use Azure Language in Foundry Tools to extract text from scanned documents.



- A. Mastered
- B. Not Mastered

**Answer: A**

**Explanation:**

Answer Area

Statements

You can use Azure Language in Foundry Tools to analyze the sentiment of customer reviews.

Yes

No

You can use Azure Language in Foundry Tools to translate internal reports into multiple languages.



You can use Azure Language in Foundry Tools to extract text from scanned documents.



NEW QUESTION 54

HOTSPOT

HOTSPOT - For each of the following statements, select Yes if the statement is true. Otherwise, select No. NOTE: Each correct selection is worth one point.

Answer Area

Statements

Larger datasets can increase the cost of a generative AI solution that uses an Azure Machine Learning workspace.

Yes

No

The cost of consuming Azure OpenAI models is primarily identified by the number of input and output tokens processed.



The cost of custom generative AI solutions always remains the same regardless of the model version or capability used.



- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Statements

Larger datasets can increase the cost of a generative AI solution that uses an Azure Machine Learning workspace.

Yes

No

The cost of consuming Azure OpenAI models is primarily identified by the number of input and output tokens processed.



The cost of custom generative AI solutions always remains the same regardless of the model version or capability used.



NEW QUESTION 55

DRAG DROP

Match the business scenario to the appropriate AI solution design approach. Each solution may be used once, more than once, or not at all.

AI Solutions

Build with Azure Machine Learning

Build with Microsoft Copilot Studio

Extend with Microsoft 365 Copilot connectors

Use Microsoft 365 Copilot

Answer Area

AI Solution

The marketing department at your company wants AI to summarize emails and create presentations.

AI Solution

The HR department at your company wants a conversational agent for policy questions and leave requests.

AI Solution

The manufacturing department at your company wants AI to predict maintenance schedules.

AI Solution

The finance department at your company wants AI-powered access to enterprise resource planning (ERP) data by using familiar productivity tools.

- A. Mastered
- B. Not Mastered

**Answer:** A

**Explanation:**

Answer Area

The marketing department at your company wants AI to summarize emails and create presentations. Answer:Use Microsoft 365 Copilot

The HR department at your company wants a conversational agent for policy questions and leave requests. Answer:Build with Microsoft Copilot Studio

The manufacturing department at your company wants AI to predict maintenance schedules. Answer:Build with Azure Machine Learning

The finance department at your company wants AI-powered access to enterprise resource planning ERP data by using familiar productivity tools. Answer:Extend with Microsoft 365 Copilot connectors

These scenarios map to four distinct solution patterns: out-of-the-box productivity assistance, low-code conversational agents, predictive ML, and enterprise data integration.

Marketing's need to summarize emails and create presentations is a core productivity copilot use case. Microsoft 365 Copilot is embedded in Outlook, Word, PowerPoint, and Teams, so it directly supports summarization, drafting, and presentation generation without building a custom solution—making Use Microsoft 365 Copilot the best fit.

HR's requirement is a conversational agent tailored to internal policies and workflows such as leave requests. That typically needs custom dialog, grounded knowledge sources, and possibly actions/workflows. Microsoft Copilot Studio is designed to build and manage such agents with organizational knowledge and business process integration, so Build with Microsoft Copilot Studio fits best.

Manufacturing's predictive maintenance scheduling is classic predictive analytics: learning patterns from historical telemetry/maintenance data to forecast failures or optimal service windows. This is best addressed with Azure Machine Learning, which supports training, evaluating, and deploying custom predictive models.

Finance wants AI-powered access to ERP data using familiar productivity tools, which implies bringing external line-of-business data into the Microsoft 365 Copilot experience. That is precisely where Microsoft 365 Copilot connectors help—indexing and exposing enterprise data sources so Copilot can reference them in a governed way—so Extend with Microsoft 365 Copilot connectors is the best approach.

**NEW QUESTION 58**

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