



## 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                    |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| Microsoft 365 Copilot enables users to search across emails, files, chats, meetings, and connected apps, by using natural language queries. | <input type="radio"/> | <input type="radio"/> |
| Microsoft 365 Copilot provides data protection, and helps ensure that user prompts and chat data are secure.                                | <input type="radio"/> | <input type="radio"/> |
| Microsoft 365 Copilot is included in all Microsoft 365 subscriptions.                                                                       | <input type="radio"/> | <input type="radio"/> |

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

| Statements                                                                                                                                  | Yes                              | No                               |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Microsoft 365 Copilot enables users to search across emails, files, chats, meetings, and connected apps, by using natural language queries. | <input checked="" type="radio"/> | <input type="radio"/>            |
| Microsoft 365 Copilot provides data protection, and helps ensure that user prompts and chat data are secure.                                | <input checked="" type="radio"/> | <input type="radio"/>            |
| Microsoft 365 Copilot is included in all Microsoft 365 subscriptions.                                                                       | <input type="radio"/>            | <input checked="" type="radio"/> |

NEW QUESTION 3

You plan to meet with a group of stakeholders to discuss how generative AI can benefit your company. You need to provide the stakeholders with a relevant description of generative AI during the meeting. Which description should you use?

- A. Generative AI is designed to translate documents into other languages.
- B. Generative AI is designed to predict future trends based on historical data.
- C. Generative AI is designed to generate responses based on a user's natural language prompts.
- D. Generative AI is designed to recommend products based on user behavior.

Answer: C

Explanation:

Generative AI's defining characteristic is that it creates new content (text, images, code, summaries, drafts) in response to instructions—most commonly natural language prompts. Option C captures that general-purpose description in a stakeholder-friendly way: users provide prompts and the system generates responses or content. This framing is broad enough to cover common business value scenarios such as summarizing documents, drafting communications, creating marketing copy, generating reports, building assistants, and producing structured outputs from unstructured requests. Option A is a single use case (translation), not the defining description. Option B describes predictive analytics/forecasting, which is a different AI category focused on outcomes and probabilities rather than content creation. Option D describes recommendation systems, typically driven by ranking/behavioral signals; while AI can enhance recommendations, that is not the core definition of generative AI. Therefore, the most accurate and relevant description for stakeholders is C.

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.

| Statements                                                                                                                         | Yes                   | No                    |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
| A manufacturer can use Azure Vision in Foundry Tools to identify product defects on an assembly line.                              | <input type="radio"/> | <input type="radio"/> |
| A logistics company can use Azure Vision in Foundry Tools to recognize package shipping labels.                                    | <input type="radio"/> | <input type="radio"/> |
| The HR department at your company can only use Azure Vision in Foundry Tools to extract written content from Microsoft Word files. | <input type="radio"/> | <input type="radio"/> |

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:  
Answer Area

| Statements                                                                                                                         | Yes                              | No                               |
|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| A manufacturer can use Azure Vision in Foundry Tools to identify product defects on an assembly line.                              | <input checked="" type="radio"/> | <input type="radio"/>            |
| A logistics company can use Azure Vision in Foundry Tools to recognize package shipping labels.                                    | <input checked="" type="radio"/> | <input type="radio"/>            |
| The HR department at your company can only use Azure Vision in Foundry Tools to extract written content from Microsoft Word files. | <input type="radio"/>            | <input checked="" type="radio"/> |

NEW QUESTION 5

Your company creates a custom Azure Machine Learning model that uses a generative AI assistant. The model initially delivers strong results. However, six months later, the model predictions become noticeably less accurate. What is a possible cause of the issue?

- A. The input data changed over time.
- B. The model requires additional compute resources.
- C. The model was trained incorrectly.

Answer: A

NEW QUESTION 6

HOTSPOT

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

|                                      |                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Answer Area                          |                                                                                                                                                                                                                                                                                                                                                                                        |
| Prompt engineering is the process of | <div><div></div><div>integrating AI-powered tools into business workflows.</div><div>identifying and fixing errors in AI-generated content.</div><div>designing, developing, and training generative AI models to produce contextually relevant content.</div><div>crafting clear instructions to guide generative AI solutions in generating context-appropriate content.</div></div> |

- 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 operateswithout changing model weights; it??s about steering model behavior through well-constructed instructions and context.

NEW QUESTION 7

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                    |
|---------------------------------------------------------------------------------------|-----------------------|-----------------------|
| To use Microsoft 365 Copilot Chat, you must have a Microsoft 365 Copilot license.     | <input type="radio"/> | <input type="radio"/> |
| Microsoft 365 Copilot Chat provides context-aware assistance in Microsoft 365 apps.   | <input type="radio"/> | <input type="radio"/> |
| Microsoft 365 Copilot Chat can only access information in open files and read emails. | <input type="radio"/> | <input type="radio"/> |

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

| Statements                                                                            | Yes                              | No                               |
|---------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| To use Microsoft 365 Copilot Chat, you must have a Microsoft 365 Copilot license.     | <input type="radio"/>            | <input checked="" type="radio"/> |
| Microsoft 365 Copilot Chat provides context-aware assistance in Microsoft 365 apps.   | <input checked="" type="radio"/> | <input type="radio"/>            |
| Microsoft 365 Copilot Chat can only access information in open files and read emails. | <input type="radio"/>            | <input checked="" type="radio"/> |

NEW QUESTION 8

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 9

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 connectors enable you to index data from multiple sources to make the data available in Copilot.               | <input type="radio"/> | <input type="radio"/> |
| You can build a custom Microsoft 365 Copilot connector when the available connectors do NOT meet your data integration requirements. | <input type="radio"/> | <input type="radio"/> |
| To use Microsoft 365 Copilot connectors, you need a Microsoft Copilot Studio license.                                                | <input type="radio"/> | <input type="radio"/> |

- A. Mastered
- B. Not Mastered



Answer: A

Explanation:

| Answer Area                                                                                                                          |                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Statements                                                                                                                           |                                                                                                                   |
| Microsoft 365 Copilot connectors enable you to index data from multiple sources to make the data available in Copilot.               | <div><div>Yes</div><div>No</div><div><input checked="" type="radio"/></div><div><input type="radio"/></div></div> |
| You can build a custom Microsoft 365 Copilot connector when the available connectors do NOT meet your data integration requirements. | <div><div>Yes</div><div>No</div><div><input checked="" type="radio"/></div><div><input type="radio"/></div></div> |
| To use Microsoft 365 Copilot connectors, you need a Microsoft Copilot Studio license.                                                | <div><div>Yes</div><div>No</div><div><input type="radio"/></div><div><input checked="" type="radio"/></div></div> |

NEW QUESTION 10

HOTSPOT

- Select the answer that correctly completes the sentence. The primary goal of generative AI is \_\_\_\_ .

Answer Area

The primary goal of generative AI is 

to analyze trends and classify data sources.

to create new content, such as text, images, or code.

to make predictions based on historical data.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

to create new content, such as text, images, or code.

Generative AI is defined by its ability to produce new outputs—content that did not previously exist in exactly that form—based on patterns learned from large datasets. That content can be text (emails, summaries, policies), images (design mockups, marketing visuals), code (snippets, scripts), audio, and more. Therefore, the correct completion is ??to create new content, such as text, images, or code.??

The other options describe different AI categories. ??Analyze trends and classify data sources?? is primarily analytical/classification work, typically associated with traditional machine learning models (for example, clustering, categorization, fraud classification). ??Make predictions based on historical data?? is predictive AI (forecasting demand, predicting churn, estimating failure probability). While generative AI can assist those workflows by explaining results or drafting narratives, its primary purpose is not classification or forecasting—it is content synthesis.

In practical business value terms, this is why generative AI is commonly deployed for productivity tasks like drafting and rewriting content, summarizing long documents, generating customer communications, creating knowledge assistants, and producing structured outputs (tables, bullet lists, JSON) from unstructured prompts. The model??s differentiator is its ability to transform instructions and context into coherent, human-like content.

NEW QUESTION 10

Your company plans to use generative AI to help build a website that will showcase various existing products. Which capability best describes a benefit of using generative AI for this project? Select the BEST answer.

- A. translating product descriptions into a different language
- B. analyzing product sales to identify patterns and trends
- C. designing a new product based on customer requirements
- D. creating product descriptions based on product specifications

Answer: D

NEW QUESTION 14

HOTSPOT

- Select the answer that correctly completes the sentence.  
Using high-quality grounding data in a generative AI solution .

Answer Area

Using high-quality grounding data in a generative AI solution 

ensures that all responses are factually accurate.

increases performance of an AI model.

improves the accuracy and reliability of the predictions and outputs of AI.

increases the amount of storage required to host an AI model.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Using high-quality grounding data in a generative AI solution

ensures that all responses are factually accurate.

increases performance of an AI model.

improves the accuracy and reliability of the predictions and outputs of AI.

increases the amount of storage required to host an AI model.

NEW QUESTION 19

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 24

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

NEW QUESTION 25

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                                 | Answer Area                                                                                                                                                 |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Build with Azure Machine Learning            | AI Solution The marketing department at your company wants AI to summarize emails and create presentations.                                                 |
| Build with Microsoft Copilot Studio          | AI Solution The HR department at your company wants a conversational agent for policy questions and leave requests.                                         |
| Extend with Microsoft 365 Copilot connectors | AI Solution The manufacturing department at your company wants AI to predict maintenance schedules.                                                         |
| Use Microsoft 365 Copilot                    | 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—makingUse Microsoft 365 Copilotthe 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 Studiois designed to build and manage such agents with organizational knowledge and business process integration, soBuild with Microsoft Copilot Studiofits 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 withAzure 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 whereMicrosoft 365 Copilot connectorshelp—indexing and exposing enterprise data sources so Copilot can reference them in a governed way—soExtend with Microsoft 365 Copilot connectorsis the best approach.

NEW QUESTION 29

Your company has an AI solution that uses a prebuilt Azure OpenAI model to generate content. You need to reduce the cost of the solution while minimizing the impact on the quality of the generated output. Which two actions should you perform? (Select TWO.) NOTE: Each correct selection is worth one point.

- A. Fine-tune the existing model.
- B. Apply content moderation.
- C. Optimize the prompts.
- D. Switch to an alternate model.
- E. Decrease the number of hosting hours for the model.

Answer: CD

NEW QUESTION 30

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