

Microsoft

Exam Questions AB-731

AI Transformation Leader (beta)



NEW QUESTION 1

Your company plans to adopt AI across multiple business units. You need to ensure that all AI projects align with the company's business strategy and are implemented responsibly. What is the best approach to achieve the goal? More than one answer choice may achieve the goal. Select the BEST answer.

- A. Allow each department to deploy its own AI tools and workflows.
- B. Delegate AI decision-making to the company's IT department.
- C. Outsource AI development to an external vendor.
- D. Establish an AI council to provide guidance, oversight, and coordination.

Answer: D

NEW QUESTION 2

You need to recommend a service that supports indexing information and knowledge mining by extracting insights from documents. What should you recommend?

- A. Microsoft Foundry
- B. Azure Vision in Foundry Tools
- C. Azure Document Intelligence in Foundry Tools
- D. Azure AI Search

Answer: D

NEW QUESTION 3

HOTSPOT

- Select the answer that correctly completes the sentence.

A AI solution recognizes patterns in large and complex datasets to create new and original content.

Answer Area

A AI solution recognizes patterns in large and complex datasets to create new and original content.

prescriptive

predictive

generative

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

A AI solution recognizes patterns in large and complex datasets to create new and original content.

prescriptive

predictive

generative

NEW QUESTION 4

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 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
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 6

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 7

Your company plans to implement a proof of concept PoC agent that uses Azure OpenAI. The solution must start small and provide flexibility to scale usage as demand grows. Which pricing model should you use?

- A. Microsoft 365 Copilot
- B. Batch API
- C. Provisioned PTUs
- D. Standard On-Demand

Answer: D

Explanation:

For a proof of concept, the key requirements are low commitment, quick start, and the ability to scale up or down as you learn what real usage looks like. Azure OpenAI Standard On-Demand pricing is designed for exactly that: you pay per token consumed (input and output) on a pay-as-you-go basis, which makes it ideal when demand is uncertain or variable—typical in early pilots and PoCs. By contrast, Provisioned (PTUs) is best when you have well-defined, predictable throughput and latency requirements—usually a more mature, production workload. PTUs involve reserving model processing capacity to achieve consistent performance and more predictable costs, which is usually premature for a PoC where actual traffic patterns are not yet known. Batch API is optimized for asynchronous high-volume jobs with a target turnaround (for example, up to 24 hours) and discounted pricing. That's great for offline processing, but it does not match an interactive agent PoC that typically needs near-real-time responses and iterative testing. Microsoft 365 Copilot is a separate SaaS licensing model and is not the Azure OpenAI pricing model for building your own agent solution.

NEW QUESTION 8

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 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	Yes	No
Microsoft 365 Copilot connectors enable you to index data from multiple sources to make the data available in Copilot.	<input checked="" 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 checked="" type="radio"/>	<input type="radio"/>
To use Microsoft 365 Copilot connectors, you need a Microsoft Copilot Studio license.	<input type="radio"/>	<input checked="" type="radio"/>

NEW QUESTION 10

Your company uses a non-reasoning generative AI model to create textual content. You discover that the model's responses are inconsistent and do NOT meet expectations. You need to improve the prompts. What should you do? More than one answer choice may achieve the goal. Select the BEST answer.

- A. Provide the prompts with extensive examples of the expected output.
- B. Add the context, sources, and expectations to the prompts.
- C. Use technical terms in the prompts to enhance AI comprehension.
- D. Add only a single concise requirement to the prompts.

Answer: AB

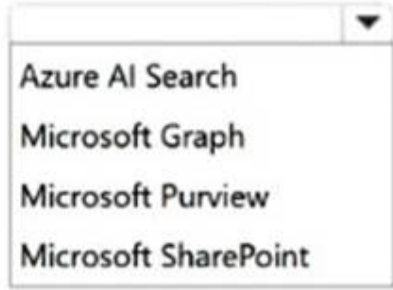
NEW QUESTION 10

HOTSPOT

- Select the answer that correctly completes the sentence.

When you use Microsoft 365 Copilot connectors to connect external content to _____, your users can find, summarize, and learn from line-of-business (LOB) data by using natural language prompts.

Answer Area

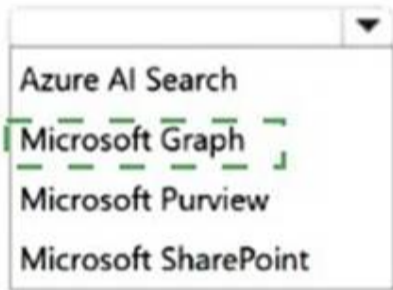
When you use Microsoft 365 Copilot connectors to connect external content to , your users can find, summarize, and learn from line-of-business (LOB) data by using natural language prompts.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

When you use Microsoft 365 Copilot connectors to connect external content to , your users can find, summarize, and learn from line-of-business (LOB) data by using natural language prompts.

NEW QUESTION 12

Your company stores thousands of reports and documents across multiple systems. You recommend using Azure AI Search as part of a new generative AI solution to improve information discovery. What is a key benefit of using Azure AI Search in this scenario?

- A. generates responses to customer questions without referencing the existing data
- B. queries and retrieves information from large collections of data by using natural language
- C. automates document workflows based on the document content
- D. improves model accuracy by fine-tuning organizational data

Answer: B

NEW QUESTION 13

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 17

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 22

Your company plans to use an AI-powered solution to analyze customer feedback for insights related to future product designs. You need to mitigate the privacy risks associated with the solution. What is the best approach to achieve the goal? Select the BEST answer.

- A. Anonymize the source data to remove customer Personally Identifiable Information (PII) from the feedback.
- B. Delete all the feedback data immediately after analysis.
- C. Ensure that feedback is attributable to the customer so that it can be deleted upon request.
- D. Limit privacy reviews to the final stage of the AI project lifecycle.

Answer: A

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
Allowing AI models to make autonomous decisions supports the Microsoft responsible AI principle of accountability.	<input type="radio"/>	<input type="radio"/>
Regularly testing AI models for fairness and inclusiveness helps ensure they align with Microsoft's Responsible AI principles.	<input type="radio"/>	<input type="radio"/>
Protecting user data and limiting access to personal information supports the Microsoft responsible AI principles of privacy and security.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Statements	Yes	No
Allowing AI models to make autonomous decisions supports the Microsoft responsible AI principle of accountability.	<input type="radio"/>	<input checked="" type="radio"/>
Regularly testing AI models for fairness and inclusiveness helps ensure they align with Microsoft's Responsible AI principles.	<input checked="" type="radio"/>	<input type="radio"/>
Protecting user data and limiting access to personal information supports the Microsoft responsible AI principles of privacy and security.	<input checked="" type="radio"/>	<input type="radio"/>

NEW QUESTION 26

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 Copilot provides a single AI app that has identical features and experiences across all Microsoft products.	<input type="radio"/>	<input type="radio"/>
Microsoft 365 Copilot delivers AI capabilities for business users that use Microsoft 365 apps.	<input type="radio"/>	<input type="radio"/>
Microsoft Security Copilot helps companies understand risks and the organizational security posture.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Statements	Yes	No
Microsoft Copilot provides a single AI app that has identical features and experiences across all Microsoft products.	<input type="radio"/>	<input checked="" type="radio"/>
Microsoft 365 Copilot delivers AI capabilities for business users that use Microsoft 365 apps.	<input checked="" type="radio"/>	<input type="radio"/>
Microsoft Security Copilot helps companies understand risks and the organizational security posture.	<input checked="" type="radio"/>	<input type="radio"/>

NEW QUESTION 28

HOTSPOT

- Select the answer that correctly completes the sentence.

An organization that runs continuous, large-scale workloads with Azure OpenAI models should choose the pricing model.

Answer Area

An organization that runs continuous, large-scale workloads with Azure OpenAI models should choose the pricing model.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

An organization that runs continuous, large-scale workloads with Azure OpenAI models should choose the pricing model.

NEW QUESTION 33

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 38

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 43

Your company purchases Microsoft 365 Copilot for its sales department. The sales department needs to find and summarize information across internal documents quickly. From which two data sources can the sales department obtain results by default? (Select TWO.)

- A. an on-premises file share
- B. a custom customer relationship management (CRM) system
- C. Microsoft SharePoint
- D. Microsoft OneDrive
- E. Microsoft Sway

Answer: CD

Explanation:

By default, Microsoft 365 Copilot is grounded in your organization's Microsoft 365 data through Microsoft Graph, and it respects the user's existing permissions. For find and summarize information across internal documents, the most direct default document repositories in Microsoft 365 are SharePoint (team sites and shared libraries) and OneDrive (a user's work files). That is why C (Microsoft SharePoint) and D (Microsoft OneDrive) are the correct selections. Microsoft explicitly describes Copilot as accessing organizational content via Microsoft Graph, including user documents and related work content. The other options are not by default sources. A (on-premises file share) is not automatically part of Microsoft Graph unless you integrate/migrate content or use connectors to make it discoverable in Microsoft 365 experiences. B (custom CRM) similarly requires an integration approach (for example, Microsoft 365 Copilot connectors / Graph connectors) to index and expose that data for Copilot to use. E (Microsoft Sway) is not a primary default content source for Copilot's document grounding and is not typically referenced as a core internal document repository compared to SharePoint/OneDrive. So, for immediate, out-of-the-box internal document discovery and summarization within Microsoft 365, SharePoint + OneDrive are the default answer.

NEW QUESTION 45

Which statement accurately describes the difference between a pretrained generative AI model and a fine-tuned generative AI model?

- A. A pretrained model requires labeled data, while a fine-tuned model does not.
- B. A pretrained model is faster to train than a fine-tuned model because the pretrained model uses fewer parameters.
- C. A pretrained model is trained on broad datasets, while a fine-tuned model is adapted to perform well on a narrower, domain-specific dataset.
- D. A pretrained model is optimized for a specific task, while a fine-tuned model is designed for general-purpose use.

Answer: C

Explanation:

A pretrained generative AI model is trained initially on a large, broad, and diverse dataset so it learns general language (or multimodal) patterns and capabilities. Fine-tuning then takes that pretrained base and performs additional training on a smaller, task- or domain-specific dataset to specialize behavior—improving performance for a particular use case, tone, style, or domain knowledge representation. That is exactly what option C states, making it the correct answer. Option A is incorrect because both pretraining and fine-tuning may use labeled or unlabeled data depending on the technique; the distinction is not ??labeled vs. unlabeled.?? Option B is incorrect because a pretrained model is not ??faster to train?? due to fewer parameters; pretraining is typically the most compute-intensive phase precisely because it??s done at large scale, while fine-tuning is smaller but still trains the same model architecture. Option D is reversed: the pretrained model is the general-purpose foundation, while the fine-tuned model is the specialized variant for a specific task or dataset.

NEW QUESTION 50

Your company is deploying Microsoft 365 Copilot. The deployment must provide users with access to the Researcher agent to search across data in Microsoft SharePoint. You need to recommend a licensing plan for the solution. What should you recommend?

- A. pay-as-you-go
- B. a Microsoft 365 subscription entitlement
- C. a Microsoft 365 Copilot per-user add-on license
- D. a usage-based consumption license in Azure

Answer: C

NEW QUESTION 51

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 Copilot in Outlook can automatically send follow-up replies to emails.	<input type="radio"/>	<input type="radio"/>
Microsoft Copilot in Outlook can identify and surface tasks mentioned in your emails.	<input type="radio"/>	<input type="radio"/>
Microsoft Copilot in Outlook can summarize long email threads and highlight action items and deadlines.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Statements	Yes	No
Microsoft Copilot in Outlook can automatically send follow-up replies to emails.	<input type="radio"/>	<input checked="" type="radio"/>
Microsoft Copilot in Outlook can identify and surface tasks mentioned in your emails.	<input checked="" type="radio"/>	<input type="radio"/>
Microsoft Copilot in Outlook can summarize long email threads and highlight action items and deadlines.	<input checked="" type="radio"/>	<input type="radio"/>

NEW QUESTION 55

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 text-to-image generator can be used to translate content into other languages.	<input type="radio"/>	<input type="radio"/>
A predictive analytics model can generate new marketing content for a company's online ads.	<input type="radio"/>	<input type="radio"/>
A generative AI chatbot can engage customers in personalized conversations and recommend products.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Statements	Yes	No
A text-to-image generator can be used to translate content into other languages.	<input type="radio"/>	<input checked="" type="radio"/>
A predictive analytics model can generate new marketing content for a company's online ads.	<input type="radio"/>	<input checked="" type="radio"/>
A generative AI chatbot can engage customers in personalized conversations and recommend products.	<input checked="" type="radio"/>	<input type="radio"/>

NEW QUESTION 59

HOTSPOT

- For each of the following statements, select Yes if the statement is true. Otherwise, select No.

Answer Area

Statements	Yes	No
A generative AI model guarantees factually accurate responses if the model is trained on a large dataset.	<input type="radio"/>	<input type="radio"/>
Content filtering and responsible AI safeguards help a generative AI model generate safe and inoffensive content.	<input type="radio"/>	<input type="radio"/>
A generative AI model always produces fair and unbiased results when the training data has been properly prepared and reviewed for fairness.	<input type="radio"/>	<input type="radio"/>

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Statements	Yes	No
A generative AI model guarantees factually accurate responses if the model is trained on a large dataset.	<input type="radio"/>	<input checked="" type="radio"/>
Content filtering and responsible AI safeguards help a generative AI model generate safe and inoffensive content.	<input checked="" type="radio"/>	<input type="radio"/>
A generative AI model always produces fair and unbiased results when the training data has been properly prepared and reviewed for fairness.	<input type="radio"/>	<input checked="" type="radio"/>

NEW QUESTION 64

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 65

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