

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

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

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
For a user to access organizational data from a mobile device, the user needs a Microsoft 365 Copilot license.	☐	☐
To reason over your organizational data by using Microsoft Graph, you need a Microsoft 365 Copilot license.	☐	☐
To use the Analyst agent, you need a Microsoft 365 Copilot license.	☐	☐

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Statements	Yes	No
For a user to access organizational data from a mobile device, the user needs a Microsoft 365 Copilot license.	☐	☒
To reason over your organizational data by using Microsoft Graph, you need a Microsoft 365 Copilot license.	☒	☐
To use the Analyst agent, you need a Microsoft 365 Copilot license.	☒	☐

NEW QUESTION 5

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

prescriptive

predictive

generative

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

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

A

prescriptive

predictive

generative

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

NEW QUESTION 6

You have a historical dataset that contains 1,000 records. You need an AI solution that can analyze the data to identify patterns and predict future outcomes. What should you include in the solution?

- A. Microsoft Foundry
- B. Azure Document Intelligence in Foundry Tools
- C. Azure Machine Learning
- D. Azure Content Understanding in Foundry Tools

Answer: C

NEW QUESTION 7

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

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

Answer: A

NEW QUESTION 8

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 9

Your company uses a generative AI solution. You need to improve the quality of responses by using grounding. Which statement accurately describes how grounding improves accuracy and relevancy?

- A. references a diverse set of people, disciplines, and perspectives
- B. explains how and why AI models generate content
- C. anchors the responses in specific data sources
- D. specifies the strengths and weaknesses of the AI model

Answer: C

NEW QUESTION 10

Your company is preparing to adopt Microsoft 365 Copilot and wants to follow Microsoft responsible AI principles. As a business leader, you propose establishing an AI governance council to ensure alignment with the responsible AI principles. What is the primary purpose of the council? More than one answer choice may achieve the goal. Select the BEST answer.

- A. to monitor user behavior and enforce compliance with internal IT policies
- B. to train employees on how to use Copilot features effectively
- C. to oversee implementation, manage technical performance, and ensure successful AI deployment
- D. to guide strategy, provide oversight, and ensure cross-functional alignment for responsible AI adoption

Answer: D

Explanation:

An AI governance council (often called an "AI Council") exists primarily to set direction and provide cross-functional oversight so AI adoption stays aligned to the organization's values, risk posture, and Responsible AI commitments. That maps most directly to D. Microsoft's guidance on creating an AI Council describes leadership responsibilities such as defining and communicating the organization's AI vision, values, and policies, reviewing and approving AI use cases/projects, and coordinating with enablement and technical readiness teams to understand risks, issues, and opportunities. It also emphasizes representation across distinct functions (for example: senior leadership, legal, compliance, risk, ethics, data, technology, business, HR) to ensure governance decisions reflect a broad, accountable perspective.

The other options describe activities that may be supporting outcomes of governance, but they are not the council's primary purpose. A is narrow (IT policy enforcement/user monitoring) and is typically handled by security/compliance operations rather than the top-level governance body. B is user enablement/training (commonly owned by adoption/change management teams). C focuses on technical delivery and performance management (often owned by engineering/MLOps/service owners). The governance council's central value is strategic guidance + oversight + cross-functional alignment to ensure Responsible AI adoption is consistent, accountable, and sustainable across the business.

NEW QUESTION 10

Your company plans to build a generative AI solution based on internal data. You recommend using Microsoft Foundry as a starting point to develop and manage the solution. What is a key benefit of using Microsoft Foundry for this project?

- A. Provides a scalable platform for developing and deploying generative AI solutions.
- B. Removes the need to select or configure the underlying AI model.
- C. Enables business users to build generative AI solutions.
- D. Offers a low-code platform for developing generative AI solutions.

Answer: A

NEW QUESTION 11

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

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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 12

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.	☐	☐
Microsoft 365 Copilot Chat provides context-aware assistance in Microsoft 365 apps.	☐	☐
Microsoft 365 Copilot Chat can only access information in open files and read emails.	☐	☐

- 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.	☐	☒
Microsoft 365 Copilot Chat provides context-aware assistance in Microsoft 365 apps.	☒	☐
Microsoft 365 Copilot Chat can only access information in open files and read emails.	☐	☒

NEW QUESTION 15

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 18

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 20

HOTSPOT

You need to recommend an AI solution for each task. The solutions must use prebuilt AI capabilities to reduce development time. What should you recommend for each task?

Extract information from invoices and credit notes:

Azure AI Search

Azure Document Intelligence in Foundry Tools

Azure Machine Learning

Identify discussion topics in customer service call recordings:

Azure AI Search

Azure Document Intelligence in Foundry Tools

Azure Machine Learning

Detect customer sentiment and opinions:

Azure AI Search

Azure Document Intelligence in Foundry Tools

Azure Machine Learning

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Extract information from invoices and credit notes:

Azure AI Search

Azure Document Intelligence in Foundry Tools

Azure Machine Learning

Identify discussion topics in customer service call recordings:

Azure AI Search

Azure Document Intelligence in Foundry Tools

Azure Machine Learning

Detect customer sentiment and opinions:

Azure AI Search

Azure Document Intelligence in Foundry Tools

Azure Machine Learning

NEW QUESTION 24

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 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
Retrieval Augmented Generation (RAG) architectures require that a large language model (LLM) be retrained on proprietary data.	☐	☐
Retrieval-Augmented Generation (RAG) grounds a language model to produce more factual and context-relevant responses.	☐	☐
Retrieval Augmented Generation (RAG) retrieves information from external knowledge sources at runtime instead of relying solely on the knowledge of a generative AI model.	☐	☐

- 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.	☐	☒
Retrieval-Augmented Generation (RAG) grounds a language model to produce more factual and context-relevant responses.	☒	☐
Retrieval Augmented Generation (RAG) retrieves information from external knowledge sources at runtime instead of relying solely on the knowledge of a generative AI model.	☒	☐

NEW QUESTION 30

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 32

Your company discovers that several employees use personal ChatGPT accounts to assist with work tasks. You are concerned about proprietary data being shared externally. You need to evaluate the business value of rolling out Microsoft 365 Copilot. Which capability is a key benefit of using Copilot instead of a personal ChatGPT account?

- A. analyzing and producing reports based on complex data
- B. generating ideas and solving issues
- C. drafting documents, emails, presentations, and marketing materials
- D. accessing internal data in accordance with existing Microsoft 365 policies

Answer: D

NEW QUESTION 33

Your company receives thousands of scanned invoices each month. You need to recommend an AI solution that can automatically extract key details, such as invoice numbers, vendor names, and total amounts. What is the best solution to recommend? More than one answer choice may achieve the goal. Select the BEST answer.

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

Answer: A

NEW QUESTION 36

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 41

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 43

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 45

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.	☐	☐
A predictive analytics model can generate new marketing content for a company's online ads.	☐	☐
A generative AI chatbot can engage customers in personalized conversations and recommend products.	☐	☐

- 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.	☐	☒
A predictive analytics model can generate new marketing content for a company's online ads.	☐	☒
A generative AI chatbot can engage customers in personalized conversations and recommend products.	☒	☐

NEW QUESTION 48

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 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
Retrieval Augmented Generation (RAG) requires model fine-tuning.	☐	☐
Retrieval Augmented Generation (RAG) is helpful when you need a generative AI solution that can access current, verifiable information.	☐	☐
Retrieval Augmented Generation (RAG) enables you to get more relevant responses based on your organization's documents without retraining the base model.	☐	☐

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Statements

Retrieval Augmented Generation (RAG) requires model fine-tuning.

Yes

☐

No

☒

Retrieval Augmented Generation (RAG) is helpful when you need a generative AI solution that can access current, verifiable information.

☒☐

Retrieval Augmented Generation (RAG) enables you to get more relevant responses based on your organization's documents without retraining the base model.

☒☐

NEW QUESTION 52

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 53

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 57

Your company is building a portfolio of AI-powered business solutions. Company executives want to understand how Microsoft responsible AI principles can support the company's long-term goals. Which benefit best demonstrates the importance of responsible AI? Select the BEST answer.

- A. guarantees that AI models provide accurate and relevant responses
- B. reduces the need for data protection policies and governance
- C. enhances stakeholder trust and fosters sustainable AI adoption throughout the organization
- D. reduces the need for executive oversight in AI decision-making

Answer: C

NEW QUESTION 59

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	Yes	No
You can use Azure Language in Foundry Tools to analyze the sentiment of customer reviews.	☒	☐
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 62

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 63

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