

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

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 3

HOTSPOT

- Select the answer that correctly completes the sentence.

To ensure that your organization follows trustworthy AI principles, the organization should establish an AI governance council to .

Answer Area

To ensure that your organization follows trustworthy AI principles, the organization should

establish an AI governance council to

- configure and deploy AI models in the organization's Azure environment.
- guide AI strategy, ensure responsible AI oversight, and promote alignment across business units.
- manage day-to-day model training and labeling tasks for AI development teams.

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

To ensure that your organization follows trustworthy AI principles, the organization should establish an AI governance council to

configure and deploy AI models in the organization's Azure environment.
guide AI strategy, ensure responsible AI oversight, and promote alignment across business units.
manage day-to-day model training and labeling tasks for AI development teams.

NEW QUESTION 4

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

AI 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

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

NEW QUESTION 5

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 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

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 8

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 9

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 10

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 10

You have a business unit that uses an AI solution to process loan applications. You discover that the solution rejects the application of all applicants that are older than 60 years of age. Which Microsoft responsible AI principle is this violating?

- A. accountability
- B. transparency
- C. fairness
- D. reliability and safety

Answer: C

NEW QUESTION 15

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 19

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 24

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 28

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
Using incomplete or poor-quality data during generative AI model training can increase costs.	☐	☐
AI models rely on training data to learn patterns and identify relationships to produce outputs.	☐	☐
Generative AI models trained on non-representative datasets can produce inaccurate or unbalanced results.	☐	☐

- A. Mastered
- B. Not Mastered

Answer: A

Explanation:

Answer Area

Statements	Yes	No
Using incomplete or poor-quality data during generative AI model training can increase costs.	☒	☐
AI models rely on training data to learn patterns and identify relationships to produce outputs.	☒	☐
Generative AI models trained on non-representative datasets can produce inaccurate or unbalanced results.	☒	☐

NEW QUESTION 33

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 37

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 42

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.	☐	☐
Regularly testing AI models for fairness and inclusiveness helps ensure they align with Microsoft's Responsible AI principles.	☐	☐
Protecting user data and limiting access to personal information supports the Microsoft responsible AI principles of privacy and security.	☐	☐

- 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.	☐	☒
Regularly testing AI models for fairness and inclusiveness helps ensure they align with Microsoft's Responsible AI principles.	☒	☐
Protecting user data and limiting access to personal information supports the Microsoft responsible AI principles of privacy and security.	☒	☐

NEW QUESTION 46

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.	☐	☐
Microsoft 365 Copilot delivers AI capabilities for business users that use Microsoft 365 apps.	☐	☐
Microsoft Security Copilot helps companies understand risks and the organizational security posture.	☐	☐

- 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.	☐	☒
Microsoft 365 Copilot delivers AI capabilities for business users that use Microsoft 365 apps.	☒	☐
Microsoft Security Copilot helps companies understand risks and the organizational security posture.	☒	☐

NEW QUESTION 51

Your company has a Microsoft 365 subscription and uses Microsoft 365 Copilot Chat. Some users need to build and use declarative agents that can access work data. Which type of license should you recommend for the users?

- A. a Microsoft 365 Copilot add-on license
- B. Microsoft Copilot Studio user license
- C. a Copilot Chat pay-as-you-go plan

Answer: A

NEW QUESTION 54

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 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.	☐	☐
Content filtering and responsible AI safeguards help a generative AI model generate safe and inoffensive content.	☐	☐
A generative AI model always produces fair and unbiased results when the training data has been properly prepared and reviewed for fairness.	☐	☐

- 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.	☐	☒
Content filtering and responsible AI safeguards help a generative AI model generate safe and inoffensive content.	☒	☐
A generative AI model always produces fair and unbiased results when the training data has been properly prepared and reviewed for fairness.	☐	☒

NEW QUESTION 61
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 65
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	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.	☐	☐

- 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 69

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	Yes	No
Larger datasets can increase the cost of a generative AI solution that uses an Azure Machine Learning workspace.	☐	☐
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	Yes	No
Larger datasets can increase the cost of a generative AI solution that uses an Azure Machine Learning workspace.	☒	☐
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 74

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 78

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