

PRACTICE QUESTIONS

Microsoft

AB-731

AI Transformation Leader

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EDITION Free Set 1

QUESTIONS 10

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EXAM Microsoft AB-731, AI Transformation Leader

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10 practice questions for the Microsoft AB-731 exam, AI Transformation Leader, each followed by its answer and a short explanation. More free sets and the full practice exam: www.aiexamcerts.com/microsoft/ab-731. Spotted a mistake? Email support@aiexamcerts.com with the exam code AB-731 and the question number.

1. Which metric is the best indicator that an AI initiative is delivering business value?
 - A The number of AI prompts submitted during the pilot
 - B A measured change in a business KPI, such as cycle time or resolution rate, against a pre-set baseline
 - C The total number of Copilot licenses purchased by the company
 - D The number of employees who attended an AI overview session

Answer: B

A change in a business KPI measured against a baseline shows whether the initiative changed the outcome it targeted. Prompt counts are a tempting usage measure, but activity does not prove value. License and attendance counts show spending and reach rather than results.

2. The structured estimate of the financial return on an AI investment, comparing its net benefit with its cost, is called return on _____.

Answer: investment (also accepted: ROI)

Return on investment compares the net benefit of an initiative with its cost, which is the standard way to justify funding. Total cost of ownership is a tempting term because it also looks at costs over time, but it does not measure return. ROI is the ratio that captures return.

3. Which practice best supports transparency for users of an AI-assisted decision?
 - A Hiding the AI component so that users trust the outcome more
 - B Telling users when AI is involved and providing understandable information about its limits
 - C Publishing the raw training data for every customer request
 - D Requiring users to read the full model architecture and training documentation before using the tool

Answer: B

Disclosing AI involvement and explaining limits helps users interpret outcomes and seek recourse. Hiding the AI component is a tempting way to protect trust, but it undermines informed use. Publishing raw data and requiring architecture reading are impractical and do not help users decide.

4. Responsible AI reviews should be completed once, before launch, and then no longer revisited.
- A True
 - B False

Answer: B (False)

AI systems change as data, users and models change, so responsible AI assessment must continue after launch, including monitoring and periodic review. A single pre-launch review cannot capture later drift or misuse. The statement is false.

5. Which two signs suggest that an AI use case is poorly suited to a generative AI solution? (Choose two.)
- A The task involves summarizing long documents for human review
 - B The output must be exactly correct every time, with no tolerance for error
 - C The team wants to draft first versions of internal communications
 - D The solution will be reviewed by a subject matter expert before use
 - E The task depends on a precise calculation that a deterministic system already performs well

Answer: B, E

Tasks requiring zero error tolerance and tasks better served by deterministic calculation are poor fits for generative AI. Summarization, drafting and expert-reviewed output are tempting examples of good fits, and they suit generative AI when humans review results. Those three distractors describe appropriate uses.

6. Which question should a team answer first when assessing a use case that involves customer personal data?
- A Which logo should appear on the customer-facing output, and how large should it be on each screen?
 - B How quickly can the vendor deliver a demonstration?
 - C What is the lawful basis for processing the data, and does the use fit the purpose it was collected for?
 - D Which model has the highest benchmark score this month?

Answer: C

The lawful basis and purpose limitation must be confirmed before personal data is used, because they determine whether the use is permitted at all. Logo choice and demonstration speed are tempting practical questions, but they do not establish legality. Benchmark scores measure capability rather than permission.

7. A team wants a generative AI app to answer from its own documents. Which Azure service is most directly used to index and retrieve that content?
- A Azure Backup
 - B Azure Virtual Desktop
 - C Azure Event Hubs
 - D Azure AI Search

Answer: D

Azure AI Search indexes content and retrieves relevant passages that a generative model can use to ground its answers. Azure Backup is a tempting Azure service for stored data, but it protects copies rather than enabling retrieval. Virtual Desktop and Event Hubs serve other purposes.

8. Microsoft's platform for building, evaluating and deploying generative AI applications and agents, with model catalogs and governance tools, is called Microsoft _____ (formerly Azure AI Foundry).

Answer: Foundry

Microsoft Foundry, formerly Azure AI Foundry, provides a platform for building, evaluating and managing AI applications and agents, including model access and governance tools. Azure Machine Learning is a tempting answer because it also supports model development, but it is the broader machine learning service.

9. Which data practice best reduces the risk of an AI system exposing personal information in its outputs?
- A Minimizing the personal data included in prompts and sources, and masking it where it is not needed
 - B Including every available personal field to improve personalization
 - C Storing personal data in the prompt history indefinitely
 - D Sharing raw personal data with all teams for transparency

Answer: A

Minimizing and masking personal data reduces the chance it appears in outputs. Including every field is a tempting way to improve personalization, but it multiplies exposure. Indefinite prompt history and broad sharing both increase risk without a clear need.

10. Which control best protects data that an AI application retrieves from an enterprise system?
- A Giving the application a broad service account that can read all data
 - B Enforcing the user's own permissions when the data is retrieved
 - C Caching all retrieved data in a public web page for speed
 - D Disabling logging so that retrieval is faster

Answer: B

Enforcing user permissions at retrieval time ensures users only see data they are allowed to access. A broad service account is a tempting simplification for developers, but it lets the application expose data beyond each user's rights. Public caching and disabling logs remove both protection and accountability.