



Applaa ACCA Practice Mock 105

Mock Practice Exam Booklet

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Instructions & Study Method

Welcome to your Applaa offline practice booklet. Please follow these guidelines to maximize your learning outcome:

- 1. Distraction-Free Practice:** Solve the multiple-choice questions in Section 1 under timed conditions. Do not look for shortcuts or answers until you are completely done.
- 2. Check & Submit Online:** We have intentionally excluded the answer key from this printout. To get your score, see worked solutions, and track your progress metrics, open: <https://applaa.com/practice/check?exam=acca&paper;=105> on any browser. Bubble in your answers in our digital check sheet.
- 3. Learn with Appy Buddy (AI Socratic Tutor):** Applaa is a 100% ad-free educational space. Our online AI Tutor guides you step-by-step through questions you get wrong, showing you how to solve them rather than just giving you the answer.

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Section 1: Practice Questions

Question 1 — [Financial Accounting / VAT Computations]

A retail store, Falcon Engineering Ltd, purchased inventories for a gross total of £7,200 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Falcon Engineering Ltd?

- A: Net Cost: £6,000, VAT Recoverable: £1,200
- B: Net Cost: £7,200, VAT Recoverable: £1,440
- C: Net Cost: £5,760, VAT Recoverable: £1,440
- D: Net Cost: £6,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 2 — [Financial Accounting / Asset Valuation and Depreciation]

Titan Steel plc disposed of a delivery vehicle for £52,800. The vehicle had originally cost £88,000 and had accumulated depreciation of £44,000 at the date of disposal. What is the gain or loss on disposal to be recorded in profit or loss?

- A: Gain on disposal of £8,800
- B: Loss on disposal of £8,800
- C: Gain on disposal of £-35,200
- D: Loss on disposal of £44,000

Question 3 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Crest Hotels Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £2,400 was entered into the repairs and maintenance account. What type of error has occurred?

- A: Error of Omission
- B: Error of Commission
- C: Error of Principle
- D: Error of Reversal

Question 4 — [Financial Accounting / VAT Computations]

For the last quarter, Beacon Logistics LLP had net credit sales of £8,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £4,800. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £800 Payable
- B: £800 Reclaimable
- C: £1,600 Payable
- D: £640 Payable

Question 5 — [Financial Accounting / VAT Computations]

Omega Foodstuffs plc purchased a motor car for £42,000 inclusive of VAT, for use by a director. The car is used 60% for business travel and 40% for private travel. What is the input VAT recovery rule regarding this vehicle?

- A: Input VAT can be recovered in full (100%).
- B: Input VAT can be recovered at 60% representing the business use portion.
- C: No input VAT can be recovered because input VAT is generally blocked on passenger motor cars unless used exclusively for business (0% recovery).
- D: Input VAT can be recovered in full if the car is leased rather than purchased.

Question 6 — [Financial Accounting / VAT Computations]

A grocery distributor, Vanguard Retail Ltd, recorded net sales of £43,200 for standard-rate products (20% VAT) and £21,600 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £8,640
- B: £12,960
- C: £4,320
- D: £0 (all food products are exempt from output VAT)

Question 7 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Solar Energy plc took goods costing £7,000 from the business for personal use. These goods had a selling price of £10,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £7,000, Credit Purchases £7,000
- B: Debit Drawings £10,500, Credit Revenue £10,500
- C: Debit Purchases £7,000, Credit Drawings £7,000
- D: Debit Inventory £7,000, Credit Drawings £7,000

Question 8 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Swift Logistics Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £1,500. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £750 was completely omitted from the books.
- B: A cash payment of £750 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £750 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £750 was debited to the Purchase Returns account and credited to Receivables Control.

Question 9 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Genesis Enterprises Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £900. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £450 was completely omitted from the books.
- B: A cash payment of £450 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £450 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £450 was debited to the Purchase Returns account and credited to Receivables Control.

Question 10 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Beacon Logistics LLP prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £250. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £125 was completely omitted from the books.
- B: A cash payment of £125 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £125 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £125 was debited to the Purchase Returns account and credited to Receivables Control.

Question 11 — [Financial Accounting / VAT Computations]

A retail store, Atlas Transport Ltd, purchased inventories for a gross total of £7,200 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Atlas Transport Ltd?

- A: Net Cost: £6,000, VAT Recoverable: £1,200
- B: Net Cost: £7,200, VAT Recoverable: £1,440
- C: Net Cost: £5,760, VAT Recoverable: £1,440
- D: Net Cost: £6,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 12 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Apex Trading Ltd took goods costing £2,400 from the business for personal use. These goods had a selling price of £3,600. What is the correct double entry to record this transaction?

- A: Debit Drawings £2,400, Credit Purchases £2,400
- B: Debit Drawings £3,600, Credit Revenue £3,600
- C: Debit Purchases £2,400, Credit Drawings £2,400
- D: Debit Inventory £2,400, Credit Drawings £2,400

Question 13 — [Financial Accounting / Asset Valuation and Depreciation]

Summit Manufacturing Ltd disposed of a delivery vehicle for £105,600. The vehicle had originally cost £176,000 and had accumulated depreciation of £88,000 at the date of disposal. What is the gain or loss on disposal to be recorded in profit or loss?

- A: Gain on disposal of £17,600
- B: Loss on disposal of £17,600
- C: Gain on disposal of £-70,400
- D: Loss on disposal of £88,000

Question 14 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Atlas Transport Ltd took goods costing £900 from the business for personal use. These goods had a selling price of £1,350. What is the correct double entry to record this transaction?

- A: Debit Drawings £900, Credit Purchases £900
- B: Debit Drawings £1,350, Credit Revenue £1,350
- C: Debit Purchases £900, Credit Drawings £900
- D: Debit Inventory £900, Credit Drawings £900

Question 15 — [Financial Accounting / Asset Valuation and Depreciation]

Beacon Logistics LLP completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £72,000, and 2) Had the exterior of the existing office block repainted for £7,200. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£72,000), Repainting: Revenue Expenditure (£7,200)
- C: Warehouse system: Revenue Expenditure (£72,000), Repainting: Capital Expenditure (£7,200)
- D: Both projects are Revenue Expenditure.

Question 16 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Falcon Engineering Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £18,000 was entered into the repairs and maintenance account. What type of error has occurred?

- A: Error of Omission
- B: Error of Commission
- C: Error of Principle
- D: Error of Reversal

Question 17 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Atlas Transport Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £7,200 was entered into the repairs and maintenance account. What type of error has occurred?

- A: Error of Omission
- B: Error of Commission
- C: Error of Principle
- D: Error of Reversal

Question 18 — [Financial Accounting / VAT Computations]

For the last quarter, Falcon Engineering Ltd had net credit sales of £24,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £14,400. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £2,400 Payable
- B: £2,400 Reclaimable
- C: £4,800 Payable
- D: £1,920 Payable

Question 19 — [Financial Accounting / Asset Valuation and Depreciation]

Zephyr Services LLP completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £18,000, and 2) Had the exterior of the existing office block repainted for £1,800. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£18,000), Repainting: Revenue Expenditure (£1,800)
- C: Warehouse system: Revenue Expenditure (£18,000), Repainting: Capital Expenditure (£1,800)
- D: Both projects are Revenue Expenditure.

Question 20 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Falcon Engineering Ltd took goods costing £6,250 from the business for personal use. These goods had a selling price of £9,375. What is the correct double entry to record this transaction?

- A: Debit Drawings £6,250, Credit Purchases £6,250
- B: Debit Drawings £9,375, Credit Revenue £9,375
- C: Debit Purchases £6,250, Credit Drawings £6,250
- D: Debit Inventory £6,250, Credit Drawings £6,250

Submit Answers & Check worked Solutions

■ Section Complete!

You have completed this practice exam paper. To check your answers and view step-by-step worked explanations:

■ Go to: <https://applaa.com/practice/check?exam=acca&paper;=105>

Simply bubble in your choices (e.g. A, B, C, D) and get instantly scored! You can then review the explanations or chat with Appy Buddy (AI Socratic tutor) to understand complex concepts.