



Applaa ACCA Practice Mock 118

Mock Practice Exam Booklet

Applaa: Socratic Practice Engine

Submit and grade your answers online for instant worked solutions:

<https://applaa.com/practice/check?exam=acca&paper=118>

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;=118> 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.

■ SUPERCHARGE YOUR STUDIES WITH APPLAA DESKTOP APP

Tired of printing PDFs and manual grading? Download the **Applaa Desktop Application**. It includes interactive exam mocks, real-time pacing stats, auto-grading, and personalized Socratic AI support. Get a **14-day free trial** of our premium preparation package to track your progress rate.

Download: <https://applaa.com/download>

Section 1: Practice Questions

Question 1 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Titan Steel plc shows a credit balance of £56,000. Unpresented checks total £14,000, and outstanding uncleared lodgements total £7,000. What is the reconciled balance that should appear in Titan Steel plc's cash book?

- A: £49,000
- B: £63,000
- C: £77,000
- D: £35,000

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

Alpha Properties Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £110,000, and 2) Had the exterior of the existing office block repainted for £11,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£110,000), Repainting: Revenue Expenditure (£11,000)
- C: Warehouse system: Revenue Expenditure (£110,000), Repainting: Capital Expenditure (£11,000)
- D: Both projects are Revenue Expenditure.

Question 3 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Pinnacle Consulting Ltd is shown in the diagram. Credit sales of £12,500 were recorded, and cash of £10,000 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £8,750 Debit closing balance
- B: £8,750 Credit closing balance
- C: £18,750 Debit closing balance
- D: £10,000 Credit closing balance

Question 4 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Solar Energy plc is shown in the diagram. Credit sales of £22,000 were recorded, and cash of £17,600 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £15,400 Debit closing balance
- B: £15,400 Credit closing balance
- C: £33,000 Debit closing balance
- D: £17,600 Credit closing balance

Question 5 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Summit Manufacturing Ltd paid rent of £54,000. At the year-end, the company had an outstanding electricity invoice of £4,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £4,500, Credit Electricity Expense £4,500
- B: Debit Electricity Expense £4,500, Credit Accruals (Liabilities) £4,500
- C: Debit Cash £4,500, Credit Electricity Expense £4,500
- D: Debit Electricity Expense £4,500, Credit Prepayments (Assets) £4,500

Question 6 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Omega Foodstuffs plc took goods costing £12,500 from the business for personal use. These goods had a selling price of £18,750. What is the correct double entry to record this transaction?

- A: Debit Drawings £12,500, Credit Purchases £12,500
- B: Debit Drawings £18,750, Credit Revenue £18,750
- C: Debit Purchases £12,500, Credit Drawings £12,500
- D: Debit Inventory £12,500, Credit Drawings £12,500

Question 7 — [Financial Accounting / VAT Computations]

A grocery distributor, Vanguard Retail Ltd, recorded net sales of £76,800 for standard-rate products (20% VAT) and £38,400 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £15,360
- B: £23,040
- C: £7,680
- D: £0 (all food products are exempt from output VAT)

Question 8 — [Financial Accounting / VAT Computations]

For the last quarter, Beacon Logistics LLP had net credit sales of £12,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £7,200. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £1,200 Payable
- B: £1,200 Reclaimable
- C: £2,400 Payable
- D: £960 Payable

Question 9 — [Financial Accounting / VAT Computations]

A retail store, Crest Hotels Ltd, purchased inventories for a gross total of £16,500 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Crest Hotels Ltd?

- A: Net Cost: £13,750, VAT Recoverable: £2,750
- B: Net Cost: £16,500, VAT Recoverable: £3,300
- C: Net Cost: £13,200, VAT Recoverable: £3,300
- D: Net Cost: £13,750, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 10 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Atlas Transport Ltd 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 11 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Summit Manufacturing Ltd paid rent of £37,500. At the year-end, the company had an outstanding electricity invoice of £3,125 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £3,125, Credit Electricity Expense £3,125
- B: Debit Electricity Expense £3,125, Credit Accruals (Liabilities) £3,125
- C: Debit Cash £3,125, Credit Electricity Expense £3,125
- D: Debit Electricity Expense £3,125, Credit Prepayments (Assets) £3,125

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

The sole trader of Pinnacle Consulting Ltd 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 13 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Solar Energy plc paid rent of £2,400. At the year-end, the company had an outstanding electricity invoice of £200 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £200, Credit Electricity Expense £200
- B: Debit Electricity Expense £200, Credit Accruals (Liabilities) £200
- C: Debit Cash £200, Credit Electricity Expense £200
- D: Debit Electricity Expense £200, Credit Prepayments (Assets) £200

Question 14 — [Financial Accounting / VAT Computations]

A grocery distributor, Falcon Engineering Ltd, recorded net sales of £76,800 for standard-rate products (20% VAT) and £38,400 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £15,360
- B: £23,040
- C: £7,680
- D: £0 (all food products are exempt from output VAT)

Question 15 — [Financial Accounting / VAT Computations]

For the last quarter, Nova Tech Solutions Ltd had net credit sales of £250,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £150,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £25,000 Payable
- B: £25,000 Reclaimable
- C: £50,000 Payable
- D: £20,000 Payable

Question 16 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Apex Trading Ltd took goods costing £3,600 from the business for personal use. These goods had a selling price of £5,400. What is the correct double entry to record this transaction?

- A: Debit Drawings £3,600, Credit Purchases £3,600
- B: Debit Drawings £5,400, Credit Revenue £5,400
- C: Debit Purchases £3,600, Credit Drawings £3,600
- D: Debit Inventory £3,600, Credit Drawings £3,600

Question 17 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Titan Steel plc took goods costing £9,000 from the business for personal use. These goods had a selling price of £13,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £9,000, Credit Purchases £9,000
- B: Debit Drawings £13,500, Credit Revenue £13,500
- C: Debit Purchases £9,000, Credit Drawings £9,000
- D: Debit Inventory £9,000, Credit Drawings £9,000

Question 18 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Falcon Engineering Ltd shows a credit balance of £60,000. Unpresented checks total £15,000, and outstanding uncleared lodgements total £7,500. What is the reconciled balance that should appear in Falcon Engineering Ltd's cash book?

- A: £52,500
- B: £67,500
- C: £82,500
- D: £37,500

Question 19 — [Financial Accounting / VAT Computations]

A grocery distributor, Omega Foodstuffs plc, recorded net sales of £67,200 for standard-rate products (20% VAT) and £33,600 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £13,440
- B: £20,160
- C: £6,720
- D: £0 (all food products are exempt from output VAT)

Question 20 — [Financial Accounting / Asset Valuation and Depreciation]

Crown Paper Ltd disposed of a delivery vehicle for £20,160. The vehicle had originally cost £33,600 and had accumulated depreciation of £16,800 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 £3,360
- B:** Loss on disposal of £3,360
- C:** Gain on disposal of £-13,440
- D:** Loss on disposal of £16,800

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;=118>

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.