



Applaa ACCA Practice Mock 121

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;=121> 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 / Trial Balance Reconciliation]

A bookkeeper at Vanguard Retail Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £240. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £120 was completely omitted from the books.
- B: A cash payment of £120 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £120 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £120 was debited to the Purchase Returns account and credited to Receivables Control.

Question 2 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Omega Foodstuffs plc paid rent of £3,600. At the year-end, the company had an outstanding electricity invoice of £300 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £300, Credit Electricity Expense £300
- B: Debit Electricity Expense £300, Credit Accruals (Liabilities) £300
- C: Debit Cash £300, Credit Electricity Expense £300
- D: Debit Electricity Expense £300, Credit Prepayments (Assets) £300

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

The sole trader of Falcon Engineering Ltd took goods costing £600 from the business for personal use. These goods had a selling price of £900. What is the correct double entry to record this transaction?

- A: Debit Drawings £600, Credit Purchases £600
- B: Debit Drawings £900, Credit Revenue £900
- C: Debit Purchases £600, Credit Drawings £600
- D: Debit Inventory £600, Credit Drawings £600

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

The Receivables Ledger Control Account of Apex Trading Ltd is shown in the diagram. Credit sales of £2,400 were recorded, and cash of £1,920 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £1,680 Debit closing balance
- B: £1,680 Credit closing balance
- C: £3,600 Debit closing balance
- D: £1,920 Credit closing balance

Question 5 — [Financial Accounting / Asset Valuation and Depreciation]

Omega Foodstuffs plc 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 6 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Summit Manufacturing Ltd paid rent of £7,200. At the year-end, the company had an outstanding electricity invoice of £600 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £600, Credit Electricity Expense £600
- B: Debit Electricity Expense £600, Credit Accruals (Liabilities) £600
- C: Debit Cash £600, Credit Electricity Expense £600
- D: Debit Electricity Expense £600, Credit Prepayments (Assets) £600

Question 7 — [Financial Accounting / Asset Valuation and Depreciation]

Omega Foodstuffs plc 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 8 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Beacon Logistics LLP balanced perfectly. However, it was later discovered that a purchase of equipment costing £9,600 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 9 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Nexus Media plc prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £1,800. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £900 was completely omitted from the books.
- B: A cash payment of £900 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £900 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £900 was debited to the Purchase Returns account and credited to Receivables Control.

Question 10 — [Financial Accounting / Asset Valuation and Depreciation]

Solar Energy plc disposed of a delivery vehicle for £86,400. The vehicle had originally cost £144,000 and had accumulated depreciation of £72,000 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 £14,400
- B: Loss on disposal of £14,400
- C: Gain on disposal of £-57,600
- D: Loss on disposal of £72,000

Question 11 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Titan Steel plc took goods costing £2,100 from the business for personal use. These goods had a selling price of £3,150. What is the correct double entry to record this transaction?

- A: Debit Drawings £2,100, Credit Purchases £2,100
- B: Debit Drawings £3,150, Credit Revenue £3,150
- C: Debit Purchases £2,100, Credit Drawings £2,100
- D: Debit Inventory £2,100, Credit Drawings £2,100

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

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

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

Question 13 — [Financial Accounting / VAT Computations]

For the last quarter, Meridian Distributors Ltd had net credit sales of £150,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £90,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £15,000 Payable
- B: £15,000 Reclaimable
- C: £30,000 Payable
- D: £12,000 Payable

Question 14 — [Financial Accounting / VAT Computations]

A grocery distributor, Genesis Enterprises Ltd, recorded net sales of £33,600 for standard-rate products (20% VAT) and £16,800 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £6,720
- B: £10,080
- C: £3,360
- D: £0 (all food products are exempt from output VAT)

Question 15 — [Financial Accounting / VAT Computations]

A grocery distributor, Beacon Logistics LLP, recorded net sales of £33,600 for standard-rate products (20% VAT) and £16,800 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £6,720
- B: £10,080
- C: £3,360
- D: £0 (all food products are exempt from output VAT)

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

The Receivables Ledger Control Account of Atlas Transport 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 17 — [Financial Accounting / Asset Valuation and Depreciation]

Zephyr Services LLP disposed of a delivery vehicle for £11,520. The vehicle had originally cost £19,200 and had accumulated depreciation of £9,600 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 £1,920
- B: Loss on disposal of £1,920
- C: Gain on disposal of £-7,680
- D: Loss on disposal of £9,600

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

For the year ended 31 December, Nova Tech Solutions Ltd 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 19 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Atlas Transport Ltd took goods costing £1,800 from the business for personal use. These goods had a selling price of £2,700. What is the correct double entry to record this transaction?

- A: Debit Drawings £1,800, Credit Purchases £1,800
- B: Debit Drawings £2,700, Credit Revenue £2,700
- C: Debit Purchases £1,800, Credit Drawings £1,800
- D: Debit Inventory £1,800, Credit Drawings £1,800

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

At 31 March, the bank statement of Falcon Engineering Ltd shows a credit balance of £50,000. Unpresented checks total £12,500, and outstanding uncleared lodgements total £6,250. What is the reconciled balance that should appear in Falcon Engineering Ltd's cash book?

- A: £43,750
- B: £56,250
- C: £68,750
- D: £31,250

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■ Section Complete!

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■ Go to: <https://applaa.com/practice/check?exam=acca&paper;=121>

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.