



# Applaa ACCA Practice Mock 126

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;=126> 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]

The trial balance of Crown Paper Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £15,000 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 2 — [Financial Accounting / VAT Computations]

A grocery distributor, Alpha Properties Ltd, recorded net sales of £28,800 for standard-rate products (20% VAT) and £14,400 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £5,760
- B: £8,640
- C: £2,880
- D: £0 (all food products are exempt from output VAT)

### Question 3 — [Financial Accounting / Asset Valuation and Depreciation]

Summit Manufacturing Ltd disposed of a delivery vehicle for £40,320. The vehicle had originally cost £67,200 and had accumulated depreciation of £33,600 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 £6,720
- B: Loss on disposal of £6,720
- C: Gain on disposal of £-26,880
- D: Loss on disposal of £33,600

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

At 31 March, the bank statement of Falcon Engineering Ltd shows a credit balance of £7,200. Unpresented checks total £1,800, and outstanding uncleared lodgements total £900. What is the reconciled balance that should appear in Falcon Engineering Ltd's cash book?

- A: £6,300
- B: £8,100
- C: £9,900
- D: £4,500

**Question 5 — [Financial Accounting / VAT Computations]**

A retail store, Swift Logistics Ltd, purchased inventories for a gross total of £5,400 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Swift Logistics Ltd?

- A: Net Cost: £4,500, VAT Recoverable: £900
- B: Net Cost: £5,400, VAT Recoverable: £1,080
- C: Net Cost: £4,320, VAT Recoverable: £1,080
- D: Net Cost: £4,500, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

**Question 6 — [Financial Accounting / Trial Balance Reconciliation]**

A bookkeeper at Falcon Engineering Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £180. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £90 was completely omitted from the books.
- B: A cash payment of £90 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £90 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £90 was debited to the Purchase Returns account and credited to Receivables Control.

**Question 7 — [Financial Accounting / VAT Computations]**

A grocery distributor, Aura Goods Ltd, 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 8 — [Financial Accounting / Asset Valuation and Depreciation]**

Falcon Engineering Ltd 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 9 — [Financial Accounting / Double-Entry Bookkeeping]**

The Receivables Ledger Control Account of Falcon Engineering Ltd is shown in the diagram. Credit sales of £800 were recorded, and cash of £640 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £560 Debit closing balance
- B: £560 Credit closing balance
- C: £1,200 Debit closing balance
- D: £640 Credit closing balance

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

The sole trader of Swift Logistics Ltd took goods costing £2,700 from the business for personal use. These goods had a selling price of £4,050. What is the correct double entry to record this transaction?

- A: Debit Drawings £2,700, Credit Purchases £2,700
- B: Debit Drawings £4,050, Credit Revenue £4,050
- C: Debit Purchases £2,700, Credit Drawings £2,700
- D: Debit Inventory £2,700, Credit Drawings £2,700

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

The Receivables Ledger Control Account of Meridian Distributors Ltd 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 12 — [Financial Accounting / Asset Valuation and Depreciation]**

Atlas Transport Ltd disposed of a delivery vehicle for £67,200. The vehicle had originally cost £112,000 and had accumulated depreciation of £56,000 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 £11,200
- B: Loss on disposal of £11,200
- C: Gain on disposal of £44,800
- D: Loss on disposal of £56,000

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

An entity purchased a machine on 1 January Year 1 for £110,000. The residual value of the machine is estimated to be £11,000 with an estimated useful life of 5 years. The entity uses the straight-line method of depreciation. What is the carrying value (net book value) of the machine on 31 December Year 2?

- A: £90,200
- B: £70,400
- C: £59,400
- D: £79,200

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

The Receivables Ledger Control Account of Meridian Distributors Ltd is shown in the diagram. Credit sales of £9,600 were recorded, and cash of £7,680 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £6,720 Debit closing balance
- B: £6,720 Credit closing balance
- C: £14,400 Debit closing balance
- D: £7,680 Credit closing balance

**Question 15 — [Financial Accounting / Trial Balance Reconciliation]**

A bookkeeper at Titan Steel plc prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £600. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £300 was completely omitted from the books.
- B: A cash payment of £300 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £300 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £300 was debited to the Purchase Returns account and credited to Receivables Control.

**Question 16 — [Financial Accounting / Asset Valuation and Depreciation]**

Nexus Media plc disposed of a delivery vehicle for £120,000. The vehicle had originally cost £200,000 and had accumulated depreciation of £100,000 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 £20,000
- B: Loss on disposal of £20,000
- C: Gain on disposal of £-80,000
- D: Loss on disposal of £100,000

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

The Receivables Ledger Control Account of Nexus Media plc is shown in the diagram. Credit sales of £5,400 were recorded, and cash of £4,320 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £3,780 Debit closing balance
- B: £3,780 Credit closing balance
- C: £8,100 Debit closing balance
- D: £4,320 Credit closing balance

**Question 18 — [Financial Accounting / Trial Balance Reconciliation]**

Before correcting the year-end errors, the draft profit of Meridian Distributors Ltd was £120,000. An error was discovered: Closing inventory was overstated by £6,000. What is the revised profit after correcting this error?

- A: £126,000
- B: £114,000
- C: £120,000 (no effect on profit)
- D: £108,000

**Question 19 — [Financial Accounting / Double-Entry Bookkeeping]**

For the year ended 31 December, Pinnacle Consulting Ltd paid rent of £18,000. At the year-end, the company had an outstanding electricity invoice of £1,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £1,500, Credit Electricity Expense £1,500
- B: Debit Electricity Expense £1,500, Credit Accruals (Liabilities) £1,500
- C: Debit Cash £1,500, Credit Electricity Expense £1,500
- D: Debit Electricity Expense £1,500, Credit Prepayments (Assets) £1,500

**Question 20 — [Financial Accounting / VAT Computations]**

A grocery distributor, Nova Tech Solutions Ltd, recorded net sales of £120,000 for standard-rate products (20% VAT) and £60,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £24,000
- B: £36,000
- C: £12,000
- D: £0 (all food products are exempt from output VAT)

# 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;=126>

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.