



Applaa ACCA Practice Mock 130

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;=130> 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, Nova Tech Solutions Ltd, purchased inventories for a gross total of £6,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Nova Tech Solutions Ltd?

- A: Net Cost: £5,000, VAT Recoverable: £1,000
- B: Net Cost: £6,000, VAT Recoverable: £1,200
- C: Net Cost: £4,800, VAT Recoverable: £1,200
- D: Net Cost: £5,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 2 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Nova Tech Solutions Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £420. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £210 was completely omitted from the books.
- B: A cash payment of £210 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £210 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £210 was debited to the Purchase Returns account and credited to Receivables Control.

Question 3 — [Financial Accounting / VAT Computations]

Pinnacle Consulting Ltd purchased a motor car for £250,000 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 4 — [Financial Accounting / VAT Computations]

A retail store, Nova Tech Solutions Ltd, purchased inventories for a gross total of £8,400 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Nova Tech Solutions Ltd?

- A: Net Cost: £7,000, VAT Recoverable: £1,400
- B: Net Cost: £8,400, VAT Recoverable: £1,680
- C: Net Cost: £6,720, VAT Recoverable: £1,680
- D: Net Cost: £7,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

The sole trader of Vanguard Retail Ltd took goods costing £11,000 from the business for personal use. These goods had a selling price of £16,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £11,000, Credit Purchases £11,000
- B: Debit Drawings £16,500, Credit Revenue £16,500
- C: Debit Purchases £11,000, Credit Drawings £11,000
- D: Debit Inventory £11,000, Credit Drawings £11,000

Question 6 — [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 £24,000, and 2) Had the exterior of the existing office block repainted for £2,400. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£24,000), Repainting: Revenue Expenditure (£2,400)
- C: Warehouse system: Revenue Expenditure (£24,000), Repainting: Capital Expenditure (£2,400)
- D: Both projects are Revenue Expenditure.

Question 7 — [Financial Accounting / VAT Computations]

A grocery distributor, Beacon Logistics LLP, recorded net sales of £38,400 for standard-rate products (20% VAT) and £19,200 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £7,680
- B: £11,520
- C: £3,840
- D: £0 (all food products are exempt from output VAT)

Question 8 — [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 £450. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £225 was completely omitted from the books.
- B: A cash payment of £225 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £225 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £225 was debited to the Purchase Returns account and credited to Receivables Control.

Question 9 — [Financial Accounting / VAT Computations]

A grocery distributor, Summit Manufacturing Ltd, recorded net sales of £38,400 for standard-rate products (20% VAT) and £19,200 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £7,680
- B: £11,520
- C: £3,840
- D: £0 (all food products are exempt from output VAT)

Question 10 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Aura Goods Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £800 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 11 — [Financial Accounting / VAT Computations]

A retail store, Crest Hotels Ltd, purchased inventories for a gross total of £9,600 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: £8,000, VAT Recoverable: £1,600
- B: Net Cost: £9,600, VAT Recoverable: £1,920
- C: Net Cost: £7,680, VAT Recoverable: £1,920
- D: Net Cost: £8,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 12 — [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 £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 13 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £27,000. The residual value of the machine is estimated to be £2,700 with an estimated useful life of 4 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: £20,925
- B: £14,850
- C: £12,150
- D: £18,225

Question 14 — [Financial Accounting / VAT Computations]

A retail store, Crown Paper Ltd, purchased inventories for a gross total of £4,200 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Crown Paper Ltd?

- A: Net Cost: £3,500, VAT Recoverable: £700
- B: Net Cost: £4,200, VAT Recoverable: £840
- C: Net Cost: £3,360, VAT Recoverable: £840
- D: Net Cost: £3,500, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

Vanguard Retail Ltd disposed of a delivery vehicle for £28,800. The vehicle had originally cost £48,000 and had accumulated depreciation of £24,000 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 £4,800
- B: Loss on disposal of £4,800
- C: Gain on disposal of £-19,200
- D: Loss on disposal of £24,000

Question 16 — [Financial Accounting / VAT Computations]

A retail store, Solar Energy plc, purchased inventories for a gross total of £6,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Solar Energy plc?

- A: Net Cost: £5,000, VAT Recoverable: £1,000
- B: Net Cost: £6,000, VAT Recoverable: £1,200
- C: Net Cost: £4,800, VAT Recoverable: £1,200
- D: Net Cost: £5,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 17 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £12,000. The residual value of the machine is estimated to be £1,200 with an estimated useful life of 15 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: £11,280
- B: £10,560
- C: £9,360
- D: £10,080

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

The sole trader of Apex Trading 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 19 — [Financial Accounting / VAT Computations]

Summit Manufacturing Ltd 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 20 — [Financial Accounting / Asset Valuation and Depreciation]

Swift Logistics Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £36,000, and 2) Had the exterior of the existing office block repainted for £3,600. How should these expenditures be classified?

- A:** Both projects are Capital Expenditure.
- B:** Warehouse system: Capital Expenditure (£36,000), Repainting: Revenue Expenditure (£3,600)
- C:** Warehouse system: Revenue Expenditure (£36,000), Repainting: Capital Expenditure (£3,600)
- D:** Both projects are Revenue Expenditure.

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;=130>

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.