



Applaa ACCA Practice Mock 140

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=140>

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;=140> 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]

The sole trader of Solar Energy plc 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 2 — [Financial Accounting / VAT Computations]

For the last quarter, Zephyr Services LLP had net credit sales of £60,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £36,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £6,000 Payable
- B: £6,000 Reclaimable
- C: £12,000 Payable
- D: £4,800 Payable

Question 3 — [Financial Accounting / VAT Computations]

For the last quarter, Nexus Media plc 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 4 — [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 £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 5 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Apex Trading Ltd is shown in the diagram. Credit sales of £3,600 were recorded, and cash of £2,880 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £2,520 Debit closing balance
- B: £2,520 Credit closing balance
- C: £5,400 Debit closing balance
- D: £2,880 Credit closing balance

Question 6 — [Financial Accounting / VAT Computations]

Vanguard Retail Ltd purchased a motor car for £96,000 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 7 — [Financial Accounting / Asset Valuation and Depreciation]

Meridian Distributors Ltd disposed of a delivery vehicle for £5,760. The vehicle had originally cost £9,600 and had accumulated depreciation of £4,800 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 £960
- B: Loss on disposal of £960
- C: Gain on disposal of £-3,840
- D: Loss on disposal of £4,800

Question 8 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Summit Manufacturing Ltd is shown in the diagram. Credit sales of £15,000 were recorded, and cash of £12,000 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £10,500 Debit closing balance
- B: £10,500 Credit closing balance
- C: £22,500 Debit closing balance
- D: £12,000 Credit closing balance

Question 9 — [Financial Accounting / VAT Computations]

A grocery distributor, Falcon Engineering 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 10 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Crown Paper Ltd shows a credit balance of £21,600. Unpresented checks total £5,400, and outstanding uncleared lodgements total £2,700. What is the reconciled balance that should appear in Crown Paper Ltd's cash book?

- A: £18,900
- B: £24,300
- C: £29,700
- D: £13,500

Question 11 — [Financial Accounting / VAT Computations]

For the last quarter, Titan Steel plc had net credit sales of £180,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £108,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £18,000 Payable
- B: £18,000 Reclaimable
- C: £36,000 Payable
- D: £14,400 Payable

Question 12 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Crown Paper Ltd was £120,000. An error was discovered: Closing inventory was overstated by £7,200. What is the revised profit after correcting this error?

- A: £127,200
- B: £112,800
- C: £120,000 (no effect on profit)
- D: £105,600

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

Zephyr Services LLP disposed of a delivery vehicle for £5,760. The vehicle had originally cost £9,600 and had accumulated depreciation of £4,800 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 £960
- B: Loss on disposal of £960
- C: Gain on disposal of £-3,840
- D: Loss on disposal of £4,800

Question 14 — [Financial Accounting / VAT Computations]

Meridian Distributors Ltd purchased a motor car for £54,000 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 15 — [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 £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 16 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Genesis Enterprises 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 17 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £21,000. The residual value of the machine is estimated to be £2,100 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: £16,275
- B: £11,550
- C: £9,450
- D: £14,175

Question 18 — [Financial Accounting / VAT Computations]

A grocery distributor, Vanguard Retail Ltd, recorded net sales of £100,000 for standard-rate products (20% VAT) and £50,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £20,000
- B: £30,000
- C: £10,000
- D: £0 (all food products are exempt from output VAT)

Question 19 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Crest Hotels Ltd was £120,000. An error was discovered: Closing inventory was overstated by £22,000. What is the revised profit after correcting this error?

- A: £142,000
- B: £98,000
- C: £120,000 (no effect on profit)
- D: £76,000

Question 20 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Genesis Enterprises Ltd was £120,000. An error was discovered: Closing inventory was overstated by £9,600. What is the revised profit after correcting this error?

- A: £129,600
- B: £110,400
- C: £120,000 (no effect on profit)
- D: £100,800

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=140>

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.