



Applaa ACCA Practice Mock 147

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;=147> 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]

Alpha Properties Ltd purchased a motor car for £8,000 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 2 — [Financial Accounting / Asset Valuation and Depreciation]

Pinnacle Consulting Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £150,000, and 2) Had the exterior of the existing office block repainted for £15,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£150,000), Repainting: Revenue Expenditure (£15,000)
- C: Warehouse system: Revenue Expenditure (£150,000), Repainting: Capital Expenditure (£15,000)
- D: Both projects are Revenue Expenditure.

Question 3 — [Financial Accounting / VAT Computations]

For the last quarter, Titan Steel plc had net credit sales of £110,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £66,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £11,000 Payable
- B: £11,000 Reclaimable
- C: £22,000 Payable
- D: £8,800 Payable

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

The sole trader of Omega Foodstuffs plc took goods costing £900 from the business for personal use. These goods had a selling price of £1,350. What is the correct double entry to record this transaction?

- A: Debit Drawings £900, Credit Purchases £900
- B: Debit Drawings £1,350, Credit Revenue £1,350
- C: Debit Purchases £900, Credit Drawings £900
- D: Debit Inventory £900, Credit Drawings £900

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

The sole trader of Atlas Transport 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 / Double-Entry Bookkeeping]

For the year ended 31 December, Vanguard Retail 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 7 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Solar Energy plc 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 8 — [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 £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 / VAT Computations]

A grocery distributor, Alpha Properties 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 / Double-Entry Bookkeeping]

At 31 March, the bank statement of Titan Steel plc shows a credit balance of £9,600. Unpresented checks total £2,400, and outstanding uncleared lodgements total £1,200. What is the reconciled balance that should appear in Titan Steel plc's cash book?

- A: £8,400
- B: £10,800
- C: £13,200
- D: £6,000

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

For the year ended 31 December, Omega Foodstuffs plc paid rent of £25,200. At the year-end, the company had an outstanding electricity invoice of £2,100 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £2,100, Credit Electricity Expense £2,100
- B: Debit Electricity Expense £2,100, Credit Accruals (Liabilities) £2,100
- C: Debit Cash £2,100, Credit Electricity Expense £2,100
- D: Debit Electricity Expense £2,100, Credit Prepayments (Assets) £2,100

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

The sole trader of Beacon Logistics LLP took goods costing £5,500 from the business for personal use. These goods had a selling price of £8,250. What is the correct double entry to record this transaction?

- A: Debit Drawings £5,500, Credit Purchases £5,500
- B: Debit Drawings £8,250, Credit Revenue £8,250
- C: Debit Purchases £5,500, Credit Drawings £5,500
- D: Debit Inventory £5,500, Credit Drawings £5,500

Question 13 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Pinnacle Consulting Ltd 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 14 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Apex Trading 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 15 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Crest Hotels Ltd paid rent of £5,400. At the year-end, the company had an outstanding electricity invoice of £450 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £450, Credit Electricity Expense £450
- B: Debit Electricity Expense £450, Credit Accruals (Liabilities) £450
- C: Debit Cash £450, Credit Electricity Expense £450
- D: Debit Electricity Expense £450, Credit Prepayments (Assets) £450

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

For the year ended 31 December, Solar Energy plc paid rent of £25,200. At the year-end, the company had an outstanding electricity invoice of £2,100 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £2,100, Credit Electricity Expense £2,100
- B: Debit Electricity Expense £2,100, Credit Accruals (Liabilities) £2,100
- C: Debit Cash £2,100, Credit Electricity Expense £2,100
- D: Debit Electricity Expense £2,100, Credit Prepayments (Assets) £2,100

Question 17 — [Financial Accounting / VAT Computations]

A grocery distributor, Alpha Properties Ltd, recorded net sales of £200,000 for standard-rate products (20% VAT) and £100,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £40,000
- B: £60,000
- C: £20,000
- D: £0 (all food products are exempt from output VAT)

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

For the year ended 31 December, Vanguard Retail Ltd paid rent of £25,200. At the year-end, the company had an outstanding electricity invoice of £2,100 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £2,100, Credit Electricity Expense £2,100
- B: Debit Electricity Expense £2,100, Credit Accruals (Liabilities) £2,100
- C: Debit Cash £2,100, Credit Electricity Expense £2,100
- D: Debit Electricity Expense £2,100, Credit Prepayments (Assets) £2,100

Question 19 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Nova Tech Solutions Ltd 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 20 — [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 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: £19,740
- B: £18,480
- C: £16,380
- D: £17,640

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■ Section Complete!

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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.