



Applaa ACCA Practice Mock 156

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;=156> 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 / Double-Entry Bookkeeping]

The sole trader of Beacon Logistics LLP took goods costing £6,250 from the business for personal use. These goods had a selling price of £9,375. What is the correct double entry to record this transaction?

- A: Debit Drawings £6,250, Credit Purchases £6,250
- B: Debit Drawings £9,375, Credit Revenue £9,375
- C: Debit Purchases £6,250, Credit Drawings £6,250
- D: Debit Inventory £6,250, Credit Drawings £6,250

Question 2 — [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 £125,000, and 2) Had the exterior of the existing office block repainted for £12,500. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£125,000), Repainting: Revenue Expenditure (£12,500)
- C: Warehouse system: Revenue Expenditure (£125,000), Repainting: Capital Expenditure (£12,500)
- D: Both projects are Revenue Expenditure.

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

At 31 March, the bank statement of Beacon Logistics LLP shows a credit balance of £44,000. Unpresented checks total £11,000, and outstanding uncleared lodgements total £5,500. What is the reconciled balance that should appear in Beacon Logistics LLP's cash book?

- A: £38,500
- B: £49,500
- C: £60,500
- D: £27,500

Question 4 — [Financial Accounting / VAT Computations]

Beacon Logistics LLP purchased a motor car for £150,000 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 5 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Summit Manufacturing 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 6 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Genesis Enterprises Ltd took goods costing £7,000 from the business for personal use. These goods had a selling price of £10,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £7,000, Credit Purchases £7,000
- B: Debit Drawings £10,500, Credit Revenue £10,500
- C: Debit Purchases £7,000, Credit Drawings £7,000
- D: Debit Inventory £7,000, Credit Drawings £7,000

Question 7 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Nova Tech Solutions Ltd took goods costing £6,250 from the business for personal use. These goods had a selling price of £9,375. What is the correct double entry to record this transaction?

- A: Debit Drawings £6,250, Credit Purchases £6,250
- B: Debit Drawings £9,375, Credit Revenue £9,375
- C: Debit Purchases £6,250, Credit Drawings £6,250
- D: Debit Inventory £6,250, Credit Drawings £6,250

Question 8 — [Financial Accounting / VAT Computations]

A grocery distributor, Omega Foodstuffs plc, recorded net sales of £132,000 for standard-rate products (20% VAT) and £66,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £26,400
- B: £39,600
- C: £13,200
- D: £0 (all food products are exempt from output VAT)

Question 9 — [Financial Accounting / VAT Computations]

For the last quarter, Apex Trading Ltd 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 10 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £125,000. The residual value of the machine is estimated to be £12,500 with an estimated useful life of 3 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: £87,500
- B: £50,000
- C: £37,500
- D: £75,000

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

The Receivables Ledger Control Account of Pinnacle Consulting 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 12 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Zephyr Services LLP 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 13 — [Financial Accounting / Asset Valuation and Depreciation]

Summit Manufacturing Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £8,000, and 2) Had the exterior of the existing office block repainted for £800. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£8,000), Repainting: Revenue Expenditure (£800)
- C: Warehouse system: Revenue Expenditure (£8,000), Repainting: Capital Expenditure (£800)
- D: Both projects are Revenue Expenditure.

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

The Receivables Ledger Control Account of Solar Energy plc is shown in the diagram. Credit sales of £7,200 were recorded, and cash of £5,760 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £5,040 Debit closing balance
- B: £5,040 Credit closing balance
- C: £10,800 Debit closing balance
- D: £5,760 Credit closing balance

Question 15 — [Financial Accounting / VAT Computations]

Crown Paper Ltd purchased a motor car for £125,000 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 16 — [Financial Accounting / Asset Valuation and Depreciation]

Atlas Transport Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £72,000, and 2) Had the exterior of the existing office block repainted for £7,200. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£72,000), Repainting: Revenue Expenditure (£7,200)
- C: Warehouse system: Revenue Expenditure (£72,000), Repainting: Capital Expenditure (£7,200)
- D: Both projects are Revenue Expenditure.

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

An entity purchased a machine on 1 January Year 1 for £90,000. The residual value of the machine is estimated to be £9,000 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: £84,600
- B: £79,200
- C: £70,200
- D: £75,600

Question 18 — [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 £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 19 — [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 £900. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A:** A purchase invoice for £450 was completely omitted from the books.
- B:** A cash payment of £450 to a supplier was debited to the purchases account but not credited to the cash account.
- C:** Sales of £450 were recorded by debiting Receivables Control and debiting Sales Account.
- D:** A purchase return of £450 was debited to the Purchase Returns account and credited to Receivables Control.

Question 20 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Solar Energy plc balanced perfectly. However, it was later discovered that a purchase of equipment costing £4,200 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

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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.