



Applaa ACCA Practice Mock 159

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;=159> 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 Receivables Ledger Control Account of Swift Logistics 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 2 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Pinnacle Consulting 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 3 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Titan Steel plc balanced perfectly. However, it was later discovered that a purchase of equipment costing £14,000 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 4 — [Financial Accounting / VAT Computations]

A grocery distributor, Zephyr Services LLP, recorded net sales of £19,200 for standard-rate products (20% VAT) and £9,600 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £3,840
- B: £5,760
- C: £1,920
- D: £0 (all food products are exempt from output VAT)

Question 5 — [Financial Accounting / VAT Computations]

A retail store, Alpha Properties Ltd, purchased inventories for a gross total of £4,800 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Alpha Properties Ltd?

- A: Net Cost: £4,000, VAT Recoverable: £800
- B: Net Cost: £4,800, VAT Recoverable: £960
- C: Net Cost: £3,840, VAT Recoverable: £960
- D: Net Cost: £4,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 6 — [Financial Accounting / VAT Computations]

A retail store, Pinnacle Consulting Ltd, purchased inventories for a gross total of £14,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Pinnacle Consulting Ltd?

- A: Net Cost: £11,666, VAT Recoverable: £2,334
- B: Net Cost: £14,000, VAT Recoverable: £2,800
- C: Net Cost: £11,200, VAT Recoverable: £2,800
- D: Net Cost: £11,666, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 7 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Vanguard Retail Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £6,000 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 8 — [Financial Accounting / VAT Computations]

Summit Manufacturing Ltd purchased a motor car for £180,000 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 9 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Genesis Enterprises 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 10 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Nexus Media plc is shown in the diagram. Credit sales of £1,200 were recorded, and cash of £960 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £840 Debit closing balance
- B: £840 Credit closing balance
- C: £1,800 Debit closing balance
- D: £960 Credit closing balance

Question 11 — [Financial Accounting / VAT Computations]

For the last quarter, Titan Steel plc had net credit sales of £220,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £132,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £22,000 Payable
- B: £22,000 Reclaimable
- C: £44,000 Payable
- D: £17,600 Payable

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

For the year ended 31 December, Crown Paper Ltd paid rent of £3,600. At the year-end, the company had an outstanding electricity invoice of £300 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £300, Credit Electricity Expense £300
- B: Debit Electricity Expense £300, Credit Accruals (Liabilities) £300
- C: Debit Cash £300, Credit Electricity Expense £300
- D: Debit Electricity Expense £300, Credit Prepayments (Assets) £300

Question 13 — [Financial Accounting / VAT Computations]

For the last quarter, Meridian Distributors 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 14 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Summit Manufacturing Ltd is shown in the diagram. Credit sales of £1,200 were recorded, and cash of £960 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £840 Debit closing balance
- B: £840 Credit closing balance
- C: £1,800 Debit closing balance
- D: £960 Credit closing balance

Question 15 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Aura Goods Ltd paid rent of £45,000. At the year-end, the company had an outstanding electricity invoice of £3,750 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £3,750, Credit Electricity Expense £3,750
- B: Debit Electricity Expense £3,750, Credit Accruals (Liabilities) £3,750
- C: Debit Cash £3,750, Credit Electricity Expense £3,750
- D: Debit Electricity Expense £3,750, Credit Prepayments (Assets) £3,750

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

The Receivables Ledger Control Account of Nexus Media 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 17 — [Financial Accounting / Asset Valuation and Depreciation]

Zephyr Services LLP completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £220,000, and 2) Had the exterior of the existing office block repainted for £22,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£220,000), Repainting: Revenue Expenditure (£22,000)
- C: Warehouse system: Revenue Expenditure (£220,000), Repainting: Capital Expenditure (£22,000)
- D: Both projects are Revenue Expenditure.

Question 18 — [Financial Accounting / Asset Valuation and Depreciation]

Summit Manufacturing Ltd disposed of a delivery vehicle for £79,200. The vehicle had originally cost £132,000 and had accumulated depreciation of £66,000 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 £13,200
- B: Loss on disposal of £13,200
- C: Gain on disposal of £-52,800
- D: Loss on disposal of £66,000

Question 19 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Atlas Transport 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 / 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 £1,500. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £750 was completely omitted from the books.
- B: A cash payment of £750 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £750 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £750 was debited to the Purchase Returns account and credited to Receivables Control.

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;=159>

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.