



Applaa ACCA Practice Mock 16

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;=16> 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]

Swift Logistics 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 2 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Apex Trading Ltd is shown in the diagram. Credit sales of £6,000 were recorded, and cash of £4,800 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £4,200 Debit closing balance
- B: £4,200 Credit closing balance
- C: £9,000 Debit closing balance
- D: £4,800 Credit closing balance

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

The Receivables Ledger Control Account of Vanguard Retail 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 4 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Omega Foodstuffs plc 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 5 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Falcon Engineering Ltd was £120,000. An error was discovered: Closing inventory was overstated by £12,500. What is the revised profit after correcting this error?

- A: £132,500
- B: £107,500
- C: £120,000 (no effect on profit)
- D: £95,000

Question 6 — [Financial Accounting / VAT Computations]

A retail store, Omega Foodstuffs plc, purchased inventories for a gross total of £15,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Omega Foodstuffs plc?

- A: Net Cost: £12,500, VAT Recoverable: £2,500
- B: Net Cost: £15,000, VAT Recoverable: £3,000
- C: Net Cost: £12,000, VAT Recoverable: £3,000
- D: Net Cost: £12,500, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 7 — [Financial Accounting / Asset Valuation and Depreciation]

Omega Foodstuffs plc 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 8 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Beacon Logistics LLP shows a credit balance of £4,800. Unpresented checks total £1,200, and outstanding uncleared lodgements total £600. What is the reconciled balance that should appear in Beacon Logistics LLP's cash book?

- A: £4,200
- B: £5,400
- C: £6,600
- D: £3,000

Question 9 — [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 £42,000, and 2) Had the exterior of the existing office block repainted for £4,200. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£42,000), Repainting: Revenue Expenditure (£4,200)
- C: Warehouse system: Revenue Expenditure (£42,000), Repainting: Capital Expenditure (£4,200)
- D: Both projects are Revenue Expenditure.

Question 10 — [Financial Accounting / VAT Computations]

For the last quarter, Falcon Engineering Ltd had net credit sales of £72,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £43,200. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £7,200 Payable
- B: £7,200 Reclaimable
- C: £14,400 Payable
- D: £5,760 Payable

Question 11 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £30,000. The residual value of the machine is estimated to be £3,000 with an estimated useful life of 8 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: £26,625
- B: £23,250
- C: £20,250
- D: £23,625

Question 12 — [Financial Accounting / VAT Computations]

Omega Foodstuffs plc purchased a motor car for £110,000 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 13 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Aura Goods Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £1,200. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £600 was completely omitted from the books.
- B: A cash payment of £600 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £600 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £600 was debited to the Purchase Returns account and credited to Receivables Control.

Question 14 — [Financial Accounting / VAT Computations]

For the last quarter, Alpha Properties Ltd 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 15 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Nexus Media plc is shown in the diagram. Credit sales of £11,000 were recorded, and cash of £8,800 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £7,700 Debit closing balance
- B: £7,700 Credit closing balance
- C: £16,500 Debit closing balance
- D: £8,800 Credit closing balance

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

The Receivables Ledger Control Account of Beacon Logistics LLP 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 17 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Beacon Logistics LLP shows a credit balance of £56,000. Unpresented checks total £14,000, and outstanding uncleared lodgements total £7,000. What is the reconciled balance that should appear in Beacon Logistics LLP's cash book?

- A: £49,000
- B: £63,000
- C: £77,000
- D: £35,000

Question 18 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Alpha Properties Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £12,500 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 19 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Meridian Distributors 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 20 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Genesis Enterprises Ltd shows a credit balance of £28,800. Unpresented checks total £7,200, and outstanding uncleared lodgements total £3,600. What is the reconciled balance that should appear in Genesis Enterprises Ltd's cash book?

- A: £25,200
- B: £32,400
- C: £39,600
- D: £18,000

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■ Section Complete!

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■ Go to: <https://applaa.com/practice/check?exam=acca&paper;=16>

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.