



# Applaa ACCA Practice Mock 160

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;=160> 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]

For the year ended 31 December, Pinnacle Consulting 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 2 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Falcon Engineering Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £1,200 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

### Question 3 — [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 £120. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £60 was completely omitted from the books.
- B: A cash payment of £60 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £60 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £60 was debited to the Purchase Returns account and credited to Receivables Control.

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

For the year ended 31 December, Zephyr Services LLP 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 5 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Genesis Enterprises Ltd 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 Genesis Enterprises Ltd's cash book?

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

**Question 6 — [Financial Accounting / Trial Balance Reconciliation]**

The trial balance of Meridian Distributors 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 7 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Summit Manufacturing Ltd shows a credit balance of £38,400. Unpresented checks total £9,600, and outstanding uncleared lodgements total £4,800. What is the reconciled balance that should appear in Summit Manufacturing Ltd's cash book?

- A: £33,600
- B: £43,200
- C: £52,800
- D: £24,000

**Question 8 — [Financial Accounting / VAT Computations]**

Alpha Properties Ltd purchased a motor car for £84,000 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 Falcon Engineering Ltd 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 10 — [Financial Accounting / VAT Computations]**

A grocery distributor, Beacon Logistics LLP, recorded net sales of £48,000 for standard-rate products (20% VAT) and £24,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £9,600
- B: £14,400
- C: £4,800
- D: £0 (all food products are exempt from output VAT)

**Question 11 — [Financial Accounting / VAT Computations]**

Apex Trading Ltd 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 12 — [Financial Accounting / VAT Computations]**

A retail store, Genesis Enterprises Ltd, purchased inventories for a gross total of £6,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Genesis Enterprises Ltd?

- A: Net Cost: £5,000, VAT Recoverable: £1,000
- B: Net Cost: £6,000, VAT Recoverable: £1,200
- C: Net Cost: £4,800, VAT Recoverable: £1,200
- D: Net Cost: £5,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

**Question 13 — [Financial Accounting / Double-Entry Bookkeeping]**

The Receivables Ledger Control Account of Falcon Engineering Ltd is shown in the diagram. Credit sales of £1,800 were recorded, and cash of £1,440 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £1,260 Debit closing balance
- B: £1,260 Credit closing balance
- C: £2,700 Debit closing balance
- D: £1,440 Credit closing balance

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

At 31 March, the bank statement of Summit Manufacturing Ltd shows a credit balance of £16,800. Unpresented checks total £4,200, and outstanding uncleared lodgements total £2,100. What is the reconciled balance that should appear in Summit Manufacturing Ltd's cash book?

- A: £14,700
- B: £18,900
- C: £23,100
- D: £10,500

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

At 31 March, the bank statement of Titan Steel plc 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 Titan Steel plc's cash book?

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

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

The Receivables Ledger Control Account of Zephyr Services LLP is shown in the diagram. Credit sales of £8,400 were recorded, and cash of £6,720 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £5,880 Debit closing balance
- B: £5,880 Credit closing balance
- C: £12,600 Debit closing balance
- D: £6,720 Credit closing balance

**Question 17 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Nova Tech Solutions Ltd 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 18 — [Financial Accounting / VAT Computations]**

For the last quarter, Alpha Properties Ltd had net credit sales of £125,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £75,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £12,500 Payable
- B: £12,500 Reclaimable
- C: £25,000 Payable
- D: £10,000 Payable

**Question 19 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Apex Trading Ltd shows a credit balance of £100,000. Unpresented checks total £25,000, and outstanding uncleared lodgements total £12,500. What is the reconciled balance that should appear in Apex Trading Ltd's cash book?

- A: £87,500
- B: £112,500
- C: £137,500
- D: £62,500

**Question 20 — [Financial Accounting / VAT Computations]**

A retail store, Meridian Distributors Ltd, purchased inventories for a gross total of £2,400 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Meridian Distributors Ltd?

- A: Net Cost: £2,000, VAT Recoverable: £400
- B: Net Cost: £2,400, VAT Recoverable: £480
- C: Net Cost: £1,920, VAT Recoverable: £480
- D: Net Cost: £2,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

# 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;=160>

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.