



Applaa ACCA Practice Mock 162

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;=162> 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]

A grocery distributor, Omega Foodstuffs plc, recorded net sales of £57,600 for standard-rate products (20% VAT) and £28,800 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £11,520
- B: £17,280
- C: £5,760
- D: £0 (all food products are exempt from output VAT)

Question 2 — [Financial Accounting / Asset Valuation and Depreciation]

Swift Logistics Ltd disposed of a delivery vehicle for £72,000. The vehicle had originally cost £120,000 and had accumulated depreciation of £60,000 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 £12,000
- B: Loss on disposal of £12,000
- C: Gain on disposal of £-48,000
- D: Loss on disposal of £60,000

Question 3 — [Financial Accounting / Asset Valuation and Depreciation]

Aura Goods Ltd disposed of a delivery vehicle for £86,400. The vehicle had originally cost £144,000 and had accumulated depreciation of £72,000 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 £14,400
- B: Loss on disposal of £14,400
- C: Gain on disposal of £-57,600
- D: Loss on disposal of £72,000

Question 4 — [Financial Accounting / VAT Computations]

A retail store, Atlas Transport Ltd, purchased inventories for a gross total of £25,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Atlas Transport Ltd?

- A: Net Cost: £20,833, VAT Recoverable: £4,167
- B: Net Cost: £25,000, VAT Recoverable: £5,000
- C: Net Cost: £20,000, VAT Recoverable: £5,000
- D: Net Cost: £20,833, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 5 — [Financial Accounting / VAT Computations]

A grocery distributor, Pinnacle Consulting Ltd, recorded net sales of £112,000 for standard-rate products (20% VAT) and £56,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £22,400
- B: £33,600
- C: £11,200
- D: £0 (all food products are exempt from output VAT)

Question 6 — [Financial Accounting / Asset Valuation and Depreciation]

Meridian Distributors Ltd disposed of a delivery vehicle for £8,640. The vehicle had originally cost £14,400 and had accumulated depreciation of £7,200 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 £1,440
- B: Loss on disposal of £1,440
- C: Gain on disposal of £-5,760
- D: Loss on disposal of £7,200

Question 7 — [Financial Accounting / VAT Computations]

Genesis Enterprises 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 8 — [Financial Accounting / VAT Computations]

A retail store, Meridian Distributors Ltd, 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 Meridian Distributors Ltd?

- 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 9 — [Financial Accounting / VAT Computations]

Swift Logistics Ltd purchased a motor car for £42,000 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 10 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Beacon Logistics LLP 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 11 — [Financial Accounting / VAT Computations]

For the last quarter, Omega Foodstuffs plc had net credit sales of £250,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £150,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £25,000 Payable
- B: £25,000 Reclaimable
- C: £50,000 Payable
- D: £20,000 Payable

Question 12 — [Financial Accounting / VAT Computations]

For the last quarter, Crown Paper Ltd had net credit sales of £250,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £150,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £25,000 Payable
- B: £25,000 Reclaimable
- C: £50,000 Payable
- D: £20,000 Payable

Question 13 — [Financial Accounting / VAT Computations]

For the last quarter, Crown Paper Ltd had net credit sales of £36,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £21,600. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £3,600 Payable
- B: £3,600 Reclaimable
- C: £7,200 Payable
- D: £2,880 Payable

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

The sole trader of Titan Steel plc took goods costing £3,600 from the business for personal use. These goods had a selling price of £5,400. What is the correct double entry to record this transaction?

- A: Debit Drawings £3,600, Credit Purchases £3,600
- B: Debit Drawings £5,400, Credit Revenue £5,400
- C: Debit Purchases £3,600, Credit Drawings £3,600
- D: Debit Inventory £3,600, Credit Drawings £3,600

Question 15 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Swift Logistics Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £15,000 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 16 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Genesis Enterprises Ltd took goods costing £2,100 from the business for personal use. These goods had a selling price of £3,150. What is the correct double entry to record this transaction?

- A: Debit Drawings £2,100, Credit Purchases £2,100
- B: Debit Drawings £3,150, Credit Revenue £3,150
- C: Debit Purchases £2,100, Credit Drawings £2,100
- D: Debit Inventory £2,100, Credit Drawings £2,100

Question 17 — [Financial Accounting / VAT Computations]

For the last quarter, Swift Logistics Ltd had net credit sales of £150,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £90,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £15,000 Payable
- B: £15,000 Reclaimable
- C: £30,000 Payable
- D: £12,000 Payable

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

Nova Tech Solutions Ltd disposed of a delivery vehicle for £23,040. The vehicle had originally cost £38,400 and had accumulated depreciation of £19,200 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 £3,840
- B: Loss on disposal of £3,840
- C: Gain on disposal of £-15,360
- D: Loss on disposal of £19,200

Question 19 — [Financial Accounting / Asset Valuation and Depreciation]

Titan Steel plc completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £48,000, and 2) Had the exterior of the existing office block repainted for £4,800. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£48,000), Repainting: Revenue Expenditure (£4,800)
- C: Warehouse system: Revenue Expenditure (£48,000), Repainting: Capital Expenditure (£4,800)
- D: Both projects are Revenue Expenditure.

Question 20 — [Financial Accounting / VAT Computations]

Crown Paper Ltd purchased a motor car for £72,000 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.

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;=162>

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.