



# Applaa ACCA Practice Mock 168

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;=168> 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 / Trial Balance Reconciliation]

The trial balance of Zephyr Services LLP balanced perfectly. However, it was later discovered that a purchase of equipment costing £25,000 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 2 — [Financial Accounting / VAT Computations]

A retail store, Solar Energy 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 Solar Energy 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 3 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Aura Goods Ltd was £120,000. An error was discovered: Closing inventory was overstated by £1,800. What is the revised profit after correcting this error?

- A: £121,800
- B: £118,200
- C: £120,000 (no effect on profit)
- D: £116,400

### Question 4 — [Financial Accounting / VAT Computations]

For the last quarter, Summit Manufacturing Ltd had net credit sales of £42,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £25,200. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £4,200 Payable
- B: £4,200 Reclaimable
- C: £8,400 Payable
- D: £3,360 Payable

**Question 5 — [Financial Accounting / VAT Computations]**

A retail store, Solar Energy plc, purchased inventories for a gross total of £7,200 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Solar Energy plc?

- A: Net Cost: £6,000, VAT Recoverable: £1,200
- B: Net Cost: £7,200, VAT Recoverable: £1,440
- C: Net Cost: £5,760, VAT Recoverable: £1,440
- D: Net Cost: £6,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

An entity purchased a machine on 1 January Year 1 for £82,500. The residual value of the machine is estimated to be £8,250 with an estimated useful life of 4 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: £63,938
- B: £45,376
- C: £37,126
- D: £55,688

**Question 7 — [Financial Accounting / VAT Computations]**

For the last quarter, Meridian Distributors Ltd had net credit sales of £84,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £50,400. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £8,400 Payable
- B: £8,400 Reclaimable
- C: £16,800 Payable
- D: £6,720 Payable

**Question 8 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Omega Foodstuffs plc took goods costing £4,200 from the business for personal use. These goods had a selling price of £6,300. What is the correct double entry to record this transaction?

- A: Debit Drawings £4,200, Credit Purchases £4,200
- B: Debit Drawings £6,300, Credit Revenue £6,300
- C: Debit Purchases £4,200, Credit Drawings £4,200
- D: Debit Inventory £4,200, Credit Drawings £4,200

**Question 9 — [Financial Accounting / Trial Balance Reconciliation]**

Before correcting the year-end errors, the draft profit of Omega Foodstuffs plc 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 10 — [Financial Accounting / VAT Computations]**

A grocery distributor, Apex Trading Ltd, recorded net sales of £67,200 for standard-rate products (20% VAT) and £33,600 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £13,440
- B: £20,160
- C: £6,720
- D: £0 (all food products are exempt from output VAT)

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

A grocery distributor, Falcon Engineering Ltd, recorded net sales of £43,200 for standard-rate products (20% VAT) and £21,600 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £8,640
- B: £12,960
- C: £4,320
- D: £0 (all food products are exempt from output VAT)

**Question 12 — [Financial Accounting / VAT Computations]**

A retail store, Beacon Logistics LLP, purchased inventories for a gross total of £16,500 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Beacon Logistics LLP?

- A: Net Cost: £13,750, VAT Recoverable: £2,750
- B: Net Cost: £16,500, VAT Recoverable: £3,300
- C: Net Cost: £13,200, VAT Recoverable: £3,300
- D: Net Cost: £13,750, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

The Receivables Ledger Control Account of Vanguard Retail Ltd is shown in the diagram. Credit sales of £16,500 were recorded, and cash of £13,200 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £11,550 Debit closing balance
- B: £11,550 Credit closing balance
- C: £24,750 Debit closing balance
- D: £13,200 Credit closing balance

**Question 14 — [Financial Accounting / VAT Computations]**

A grocery distributor, Nexus Media plc, recorded net sales of £76,800 for standard-rate products (20% VAT) and £38,400 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £15,360
- B: £23,040
- C: £7,680
- D: £0 (all food products are exempt from output VAT)

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

The Receivables Ledger Control Account of Swift Logistics Ltd is shown in the diagram. Credit sales of £14,000 were recorded, and cash of £11,200 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £9,800 Debit closing balance
- B: £9,800 Credit closing balance
- C: £21,000 Debit closing balance
- D: £11,200 Credit closing balance

**Question 16 — [Financial Accounting / Trial Balance Reconciliation]**

A bookkeeper at Summit Manufacturing Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £450. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £225 was completely omitted from the books.
- B: A cash payment of £225 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £225 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £225 was debited to the Purchase Returns account and credited to Receivables Control.

**Question 17 — [Financial Accounting / VAT Computations]**

Titan Steel plc purchased a motor car for £48,000 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 18 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Omega Foodstuffs plc 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 Omega Foodstuffs plc's cash book?

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

**Question 19 — [Financial Accounting / Trial Balance Reconciliation]**

The trial balance of Nexus Media plc balanced perfectly. However, it was later discovered that a purchase of equipment costing £1,800 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 Nova Tech Solutions 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.

# 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;=168>

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.