



# Applaa ACCA Practice Mock 17

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=17> 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]

Atlas Transport Ltd purchased a motor car for £12,000 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 / Asset Valuation and Depreciation]

Apex Trading Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £84,000, and 2) Had the exterior of the existing office block repainted for £8,400. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£84,000), Repainting: Revenue Expenditure (£8,400)
- C: Warehouse system: Revenue Expenditure (£84,000), Repainting: Capital Expenditure (£8,400)
- D: Both projects are Revenue Expenditure.

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

At 31 March, the bank statement of Crest Hotels Ltd shows a credit balance of £50,000. Unpresented checks total £12,500, and outstanding uncleared lodgements total £6,250. What is the reconciled balance that should appear in Crest Hotels Ltd's cash book?

- A: £43,750
- B: £56,250
- C: £68,750
- D: £31,250

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

A retail store, Nexus Media plc, purchased inventories for a gross total of £3,600 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Nexus Media plc?

- A: Net Cost: £3,000, VAT Recoverable: £600
- B: Net Cost: £3,600, VAT Recoverable: £720
- C: Net Cost: £2,880, VAT Recoverable: £720
- D: Net Cost: £3,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

**Question 5 — [Financial Accounting / Asset Valuation and Depreciation]**

A company purchased a manufacturing plant for £250,000 on 1 January Year 1. The company uses the reducing balance method of depreciation at 20% per annum. What is the depreciation charge for Year 2, and what is the carrying value at 31 December Year 2?

- A: Depreciation: £50,000, Carrying Value: £200,000
- B: Depreciation: £40,000, Carrying Value: £160,000
- C: Depreciation: £40,000, Carrying Value: £210,000
- D: Depreciation: £50,000, Carrying Value: £150,000

**Question 6 — [Financial Accounting / VAT Computations]**

For the last quarter, Titan Steel plc 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 7 — [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 £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 8 — [Financial Accounting / VAT Computations]**

For the last quarter, Omega Foodstuffs 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 9 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Vanguard Retail 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 Vanguard Retail Ltd's cash book?

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

**Question 10 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Atlas Transport Ltd 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 11 — [Financial Accounting / Trial Balance Reconciliation]**

A suspense account was opened with a debit balance of £3,600. It was discovered that a cash receipt of £3,600 from a credit customer was credited to the cash account and credited to Receivables Control. What is the correcting journal entry to clear the suspense account?

- A: Debit Cash £7,200, Credit Suspense Account £7,200
- B: Debit Receivables Control £3,600, Credit Suspense £3,600
- C: Debit Suspense £7,200, Credit Cash £7,200
- D: Debit Cash £3,600, Credit Receivables Control £3,600

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

A grocery distributor, Omega Foodstuffs plc, recorded net sales of £38,400 for standard-rate products (20% VAT) and £19,200 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £7,680
- B: £11,520
- C: £3,840
- D: £0 (all food products are exempt from output VAT)

**Question 13 — [Financial Accounting / Asset Valuation and Depreciation]**

Genesis Enterprises Ltd 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 14 — [Financial Accounting / VAT Computations]**

For the last quarter, Crown Paper Ltd had net credit sales of £8,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £4,800. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £800 Payable
- B: £800 Reclaimable
- C: £1,600 Payable
- D: £640 Payable

**Question 15 — [Financial Accounting / Trial Balance Reconciliation]**

A bookkeeper at Genesis Enterprises Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £360. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £180 was completely omitted from the books.
- B: A cash payment of £180 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £180 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £180 was debited to the Purchase Returns account and credited to Receivables Control.

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

The Receivables Ledger Control Account of Solar Energy plc is shown in the diagram. Credit sales of £15,000 were recorded, and cash of £12,000 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £10,500 Debit closing balance
- B: £10,500 Credit closing balance
- C: £22,500 Debit closing balance
- D: £12,000 Credit closing balance

**Question 17 — [Financial Accounting / Asset Valuation and Depreciation]**

An entity purchased a machine on 1 January Year 1 for £70,000. The residual value of the machine is estimated to be £7,000 with an estimated useful life of 3 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: £49,000
- B: £28,000
- C: £21,000
- D: £42,000

**Question 18 — [Financial Accounting / VAT Computations]**

A retail store, Crest Hotels 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 Crest Hotels 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 19 — [Financial Accounting / Trial Balance Reconciliation]**

Before correcting the year-end errors, the draft profit of Zephyr Services LLP was £120,000. An error was discovered: Closing inventory was overstated by £7,200. What is the revised profit after correcting this error?

- A: £127,200
- B: £112,800
- C: £120,000 (no effect on profit)
- D: £105,600

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

A retail store, Nexus Media plc, purchased inventories for a gross total of £18,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Nexus Media plc?

- A: Net Cost: £15,000, VAT Recoverable: £3,000
- B: Net Cost: £18,000, VAT Recoverable: £3,600
- C: Net Cost: £14,400, VAT Recoverable: £3,600
- D: Net Cost: £15,000, 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;=17>

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.