



Applaa ACCA Practice Mock 171

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;=171> 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]

The Receivables Ledger Control Account of Nexus Media plc is shown in the diagram. Credit sales of £22,000 were recorded, and cash of £17,600 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £15,400 Debit closing balance
- B: £15,400 Credit closing balance
- C: £33,000 Debit closing balance
- D: £17,600 Credit closing balance

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

Apex Trading 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 3 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Meridian Distributors Ltd took goods costing £400 from the business for personal use. These goods had a selling price of £600. What is the correct double entry to record this transaction?

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

Question 4 — [Financial Accounting / VAT Computations]

A grocery distributor, Summit Manufacturing Ltd, recorded net sales of £9,600 for standard-rate products (20% VAT) and £4,800 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £1,920
- B: £2,880
- C: £960
- D: £0 (all food products are exempt from output VAT)

Question 5 — [Financial Accounting / VAT Computations]

A retail store, Vanguard Retail Ltd, purchased inventories for a gross total of £22,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Vanguard Retail Ltd?

- A: Net Cost: £18,333, VAT Recoverable: £3,667
- B: Net Cost: £22,000, VAT Recoverable: £4,400
- C: Net Cost: £17,600, VAT Recoverable: £4,400
- D: Net Cost: £18,333, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

Atlas Transport Ltd disposed of a delivery vehicle for £11,520. The vehicle had originally cost £19,200 and had accumulated depreciation of £9,600 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 £1,920
- B: Loss on disposal of £1,920
- C: Gain on disposal of £-7,680
- D: Loss on disposal of £9,600

Question 7 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Apex Trading Ltd paid rent of £12,600. At the year-end, the company had an outstanding electricity invoice of £1,050 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £1,050, Credit Electricity Expense £1,050
- B: Debit Electricity Expense £1,050, Credit Accruals (Liabilities) £1,050
- C: Debit Cash £1,050, Credit Electricity Expense £1,050
- D: Debit Electricity Expense £1,050, Credit Prepayments (Assets) £1,050

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

The Receivables Ledger Control Account of Atlas Transport 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 9 — [Financial Accounting / VAT Computations]

For the last quarter, Apex Trading Ltd had net credit sales of £18,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £10,800. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £1,800 Payable
- B: £1,800 Reclaimable
- C: £3,600 Payable
- D: £1,440 Payable

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

The Receivables Ledger Control Account of Atlas Transport Ltd 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 11 — [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 £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 12 — [Financial Accounting / VAT Computations]

Aura Goods Ltd purchased a motor car for £60,000 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]

The trial balance of Alpha Properties Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £14,000 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 14 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Titan Steel plc balanced perfectly. However, it was later discovered that a purchase of equipment costing £2,400 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 15 — [Financial Accounting / VAT Computations]

A grocery distributor, Pinnacle Consulting Ltd, 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 16 — [Financial Accounting / VAT Computations]

A retail store, Beacon Logistics LLP, purchased inventories for a gross total of £5,400 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: £4,500, VAT Recoverable: £900
- B: Net Cost: £5,400, VAT Recoverable: £1,080
- C: Net Cost: £4,320, VAT Recoverable: £1,080
- D: Net Cost: £4,500, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 17 — [Financial Accounting / VAT Computations]

Nexus Media 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 / Asset Valuation and Depreciation]

Atlas Transport Ltd disposed of a delivery vehicle for £52,800. The vehicle had originally cost £88,000 and had accumulated depreciation of £44,000 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 £8,800
- B: Loss on disposal of £8,800
- C: Gain on disposal of £-35,200
- D: Loss on disposal of £44,000

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

The sole trader of Beacon Logistics LLP took goods costing £3,000 from the business for personal use. These goods had a selling price of £4,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £3,000, Credit Purchases £3,000
- B: Debit Drawings £4,500, Credit Revenue £4,500
- C: Debit Purchases £3,000, Credit Drawings £3,000
- D: Debit Inventory £3,000, Credit Drawings £3,000

Question 20 — [Financial Accounting / VAT Computations]

A retail store, Titan Steel 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 Titan Steel 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:

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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.