



Applaa ACCA Practice Mock 174

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;=174> 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]

At 31 March, the bank statement of Aura Goods Ltd shows a credit balance of £19,200. Unpresented checks total £4,800, and outstanding uncleared lodgements total £2,400. What is the reconciled balance that should appear in Aura Goods Ltd's cash book?

- A: £16,800
- B: £21,600
- C: £26,400
- D: £12,000

Question 2 — [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 £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 3 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Solar Energy plc was £120,000. An error was discovered: Closing inventory was overstated by £2,400. What is the revised profit after correcting this error?

- A: £122,400
- B: £117,600
- C: £120,000 (no effect on profit)
- D: £115,200

Question 4 — [Financial Accounting / Asset Valuation and Depreciation]

Aura Goods Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £72,000, and 2) Had the exterior of the existing office block repainted for £7,200. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£72,000), Repainting: Revenue Expenditure (£7,200)
- C: Warehouse system: Revenue Expenditure (£72,000), Repainting: Capital Expenditure (£7,200)
- D: Both projects are Revenue Expenditure.

Question 5 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Pinnacle Consulting Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £420. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £210 was completely omitted from the books.
- B: A cash payment of £210 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £210 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £210 was debited to the Purchase Returns account and credited to Receivables Control.

Question 6 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Nexus Media plc shows a credit balance of £21,600. Unpresented checks total £5,400, and outstanding uncleared lodgements total £2,700. What is the reconciled balance that should appear in Nexus Media plc's cash book?

- A: £18,900
- B: £24,300
- C: £29,700
- D: £13,500

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

The Receivables Ledger Control Account of Summit Manufacturing Ltd is shown in the diagram. Credit sales of £3,600 were recorded, and cash of £2,880 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £2,520 Debit closing balance
- B: £2,520 Credit closing balance
- C: £5,400 Debit closing balance
- D: £2,880 Credit closing balance

Question 8 — [Financial Accounting / VAT Computations]

Vanguard Retail Ltd purchased a motor car for £8,000 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 / VAT Computations]

A grocery distributor, Genesis Enterprises Ltd, recorded net sales of £100,000 for standard-rate products (20% VAT) and £50,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £20,000
- B: £30,000
- C: £10,000
- D: £0 (all food products are exempt from output VAT)

Question 10 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Nexus Media plc 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 11 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Titan Steel plc 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 12 — [Financial Accounting / VAT Computations]

A retail store, Titan Steel plc, purchased inventories for a gross total of £11,000 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: £9,166, VAT Recoverable: £1,834
- B: Net Cost: £11,000, VAT Recoverable: £2,200
- C: Net Cost: £8,800, VAT Recoverable: £2,200
- D: Net Cost: £9,166, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 13 — [Financial Accounting / VAT Computations]

For the last quarter, Crest Hotels Ltd had net credit sales of £60,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £36,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £6,000 Payable
- B: £6,000 Reclaimable
- C: £12,000 Payable
- D: £4,800 Payable

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

The Receivables Ledger Control Account of Beacon Logistics 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 15 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Genesis Enterprises Ltd paid rent of £42,000. At the year-end, the company had an outstanding electricity invoice of £3,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £3,500, Credit Electricity Expense £3,500
- B: Debit Electricity Expense £3,500, Credit Accruals (Liabilities) £3,500
- C: Debit Cash £3,500, Credit Electricity Expense £3,500
- D: Debit Electricity Expense £3,500, Credit Prepayments (Assets) £3,500

Question 16 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Titan Steel plc was £120,000. An error was discovered: Closing inventory was overstated by £8,400. What is the revised profit after correcting this error?

- A: £128,400
- B: £111,600
- C: £120,000 (no effect on profit)
- D: £103,200

Question 17 — [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 £250. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £125 was completely omitted from the books.
- B: A cash payment of £125 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £125 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £125 was debited to the Purchase Returns account and credited to Receivables Control.

Question 18 — [Financial Accounting / VAT Computations]

For the last quarter, Aura Goods Ltd had net credit sales of £24,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £14,400. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £2,400 Payable
- B: £2,400 Reclaimable
- C: £4,800 Payable
- D: £1,920 Payable

Question 19 — [Financial Accounting / VAT Computations]

A retail store, Apex Trading Ltd, 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 Apex Trading Ltd?

- 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)

Question 20 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Swift Logistics Ltd is shown in the diagram. Credit sales of £18,000 were recorded, and cash of £14,400 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £12,600 Debit closing balance
- B: £12,600 Credit closing balance
- C: £27,000 Debit closing balance
- D: £14,400 Credit closing balance

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■ 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.