



# Applaa ACCA Practice Mock 175

Mock Practice Exam Booklet

## Applaa: Socratic Practice Engine

Submit and grade your answers online for instant worked solutions:

<https://applaa.com/practice/check?exam=acca&paper=175>

# 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;=175> 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.

## ■ SUPERCHARGE YOUR STUDIES WITH APPLAA DESKTOP APP

Tired of printing PDFs and manual grading? Download the **Applaa Desktop Application**. It includes interactive exam mocks, real-time pacing stats, auto-grading, and personalized Socratic AI support. Get a **14-day free trial** of our premium preparation package to track your progress rate.

**Download:** <https://applaa.com/download>

## Section 1: Practice Questions

### Question 1 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Apex Trading 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 2 — [Financial Accounting / Asset Valuation and Depreciation]

Solar Energy plc 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 3 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Crown Paper Ltd is shown in the diagram. Credit sales of £2,400 were recorded, and cash of £1,920 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £1,680 Debit closing balance
- B: £1,680 Credit closing balance
- C: £3,600 Debit closing balance
- D: £1,920 Credit closing balance

### Question 4 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Falcon Engineering Ltd paid rent of £25,200. At the year-end, the company had an outstanding electricity invoice of £2,100 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £2,100, Credit Electricity Expense £2,100
- B: Debit Electricity Expense £2,100, Credit Accruals (Liabilities) £2,100
- C: Debit Cash £2,100, Credit Electricity Expense £2,100
- D: Debit Electricity Expense £2,100, Credit Prepayments (Assets) £2,100

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

Meridian Distributors Ltd disposed of a delivery vehicle for £40,320. The vehicle had originally cost £67,200 and had accumulated depreciation of £33,600 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 £6,720
- B: Loss on disposal of £6,720
- C: Gain on disposal of £-26,880
- D: Loss on disposal of £33,600

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

Beacon Logistics LLP completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £110,000, and 2) Had the exterior of the existing office block repainted for £11,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£110,000), Repainting: Revenue Expenditure (£11,000)
- C: Warehouse system: Revenue Expenditure (£110,000), Repainting: Capital Expenditure (£11,000)
- D: Both projects are Revenue Expenditure.

**Question 7 — [Financial Accounting / Trial Balance Reconciliation]**

The trial balance of Falcon Engineering Ltd 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 8 — [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 £3,600. What is the revised profit after correcting this error?

- A: £123,600
- B: £116,400
- C: £120,000 (no effect on profit)
- D: £112,800

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

A bookkeeper at Atlas Transport 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.

**Question 10 — [Financial Accounting / VAT Computations]**

Apex Trading 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 11 — [Financial Accounting / Double-Entry Bookkeeping]**

For the year ended 31 December, Pinnacle Consulting Ltd paid rent of £3,600. At the year-end, the company had an outstanding electricity invoice of £300 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £300, Credit Electricity Expense £300
- B: Debit Electricity Expense £300, Credit Accruals (Liabilities) £300
- C: Debit Cash £300, Credit Electricity Expense £300
- D: Debit Electricity Expense £300, Credit Prepayments (Assets) £300

**Question 12 — [Financial Accounting / Asset Valuation and Depreciation]**

Titan Steel plc disposed of a delivery vehicle for £28,800. The vehicle had originally cost £48,000 and had accumulated depreciation of £24,000 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 £4,800
- B: Loss on disposal of £4,800
- C: Gain on disposal of £-19,200
- D: Loss on disposal of £24,000

**Question 13 — [Financial Accounting / Trial Balance Reconciliation]**

The trial balance of Aura Goods Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £16,500 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 14 — [Financial Accounting / Double-Entry Bookkeeping]**

The Receivables Ledger Control Account of Genesis Enterprises Ltd 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 15 — [Financial Accounting / Double-Entry Bookkeeping]**

The Receivables Ledger Control Account of Nexus Media plc 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 16 — [Financial Accounting / Asset Valuation and Depreciation]**

Nexus Media plc completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £8,000, and 2) Had the exterior of the existing office block repainted for £800. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£8,000), Repainting: Revenue Expenditure (£800)
- C: Warehouse system: Revenue Expenditure (£8,000), Repainting: Capital Expenditure (£800)
- D: Both projects are Revenue Expenditure.

**Question 17 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Solar Energy plc shows a credit balance of £4,800. Unpresented checks total £1,200, and outstanding uncleared lodgements total £600. What is the reconciled balance that should appear in Solar Energy plc's cash book?

- A: £4,200
- B: £5,400
- C: £6,600
- D: £3,000

**Question 18 — [Financial Accounting / Double-Entry Bookkeeping]**

For the year ended 31 December, Omega Foodstuffs plc paid rent of £45,000. At the year-end, the company had an outstanding electricity invoice of £3,750 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £3,750, Credit Electricity Expense £3,750
- B: Debit Electricity Expense £3,750, Credit Accruals (Liabilities) £3,750
- C: Debit Cash £3,750, Credit Electricity Expense £3,750
- D: Debit Electricity Expense £3,750, Credit Prepayments (Assets) £3,750

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

A bookkeeper at Atlas Transport Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £1,200. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £600 was completely omitted from the books.
- B: A cash payment of £600 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £600 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £600 was debited to the Purchase Returns account and credited to Receivables Control.

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

The sole trader of Vanguard Retail Ltd took goods costing £6,250 from the business for personal use. These goods had a selling price of £9,375. What is the correct double entry to record this transaction?

- A: Debit Drawings £6,250, Credit Purchases £6,250
- B: Debit Drawings £9,375, Credit Revenue £9,375
- C: Debit Purchases £6,250, Credit Drawings £6,250
- D: Debit Inventory £6,250, Credit Drawings £6,250

# 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;=175>

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.