



Applaa ACCA Practice Mock 177

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;=177> 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 / Asset Valuation and Depreciation]

Zephyr Services LLP completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £54,000, and 2) Had the exterior of the existing office block repainted for £5,400. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£54,000), Repainting: Revenue Expenditure (£5,400)
- C: Warehouse system: Revenue Expenditure (£54,000), Repainting: Capital Expenditure (£5,400)
- D: Both projects are Revenue Expenditure.

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

Aura Goods Ltd disposed of a delivery vehicle for £3,840. The vehicle had originally cost £6,400 and had accumulated depreciation of £3,200 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 £640
- B: Loss on disposal of £640
- C: Gain on disposal of £-2,560
- D: Loss on disposal of £3,200

Question 3 — [Financial Accounting / Asset Valuation and Depreciation]

Pinnacle Consulting Ltd 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 4 — [Financial Accounting / Asset Valuation and Depreciation]

Summit Manufacturing Ltd disposed of a delivery vehicle for £60,000. The vehicle had originally cost £100,000 and had accumulated depreciation of £50,000 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 £10,000
- B: Loss on disposal of £10,000
- C: Gain on disposal of £-40,000
- D: Loss on disposal of £50,000

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

Zephyr Services LLP 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 6 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Zephyr Services LLP paid rent of £75,000. At the year-end, the company had an outstanding electricity invoice of £6,250 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £6,250, Credit Electricity Expense £6,250
- B: Debit Electricity Expense £6,250, Credit Accruals (Liabilities) £6,250
- C: Debit Cash £6,250, Credit Electricity Expense £6,250
- D: Debit Electricity Expense £6,250, Credit Prepayments (Assets) £6,250

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

The Receivables Ledger Control Account of Crest Hotels 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

Question 8 — [Financial Accounting / Asset Valuation and Depreciation]

Falcon Engineering Ltd disposed of a delivery vehicle for £5,760. The vehicle had originally cost £9,600 and had accumulated depreciation of £4,800 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 £960
- B: Loss on disposal of £960
- C: Gain on disposal of £-3,840
- D: Loss on disposal of £4,800

Question 9 — [Financial Accounting / Asset Valuation and Depreciation]

Crest Hotels Ltd 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 10 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Titan Steel plc took goods costing £11,000 from the business for personal use. These goods had a selling price of £16,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £11,000, Credit Purchases £11,000
- B: Debit Drawings £16,500, Credit Revenue £16,500
- C: Debit Purchases £11,000, Credit Drawings £11,000
- D: Debit Inventory £11,000, Credit Drawings £11,000

Question 11 — [Financial Accounting / VAT Computations]

A retail store, Swift Logistics 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 Swift Logistics 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 12 — [Financial Accounting / Trial Balance Reconciliation]

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

- A: £120,800
- B: £119,200
- C: £120,000 (no effect on profit)
- D: £118,400

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

At 31 March, the bank statement of Atlas Transport Ltd shows a credit balance of £56,000. Unpresented checks total £14,000, and outstanding uncleared lodgements total £7,000. What is the reconciled balance that should appear in Atlas Transport Ltd's cash book?

- A: £49,000
- B: £63,000
- C: £77,000
- D: £35,000

Question 14 — [Financial Accounting / VAT Computations]

A retail store, Beacon Logistics LLP, purchased inventories for a gross total of £14,000 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: £11,666, VAT Recoverable: £2,334
- B: Net Cost: £14,000, VAT Recoverable: £2,800
- C: Net Cost: £11,200, VAT Recoverable: £2,800
- D: Net Cost: £11,666, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 15 — [Financial Accounting / VAT Computations]

A retail store, Solar Energy 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 Solar Energy 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)

Question 16 — [Financial Accounting / VAT Computations]

A retail store, Genesis Enterprises Ltd, purchased inventories for a gross total of £8,400 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Genesis Enterprises Ltd?

- A: Net Cost: £7,000, VAT Recoverable: £1,400
- B: Net Cost: £8,400, VAT Recoverable: £1,680
- C: Net Cost: £6,720, VAT Recoverable: £1,680
- D: Net Cost: £7,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 17 — [Financial Accounting / VAT Computations]

For the last quarter, Alpha Properties Ltd had net credit sales of £36,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £21,600. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £3,600 Payable
- B: £3,600 Reclaimable
- C: £7,200 Payable
- D: £2,880 Payable

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

For the year ended 31 December, Swift Logistics Ltd paid rent of £33,000. At the year-end, the company had an outstanding electricity invoice of £2,750 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £2,750, Credit Electricity Expense £2,750
- B: Debit Electricity Expense £2,750, Credit Accruals (Liabilities) £2,750
- C: Debit Cash £2,750, Credit Electricity Expense £2,750
- D: Debit Electricity Expense £2,750, Credit Prepayments (Assets) £2,750

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

The sole trader of Crown Paper Ltd took goods costing £11,000 from the business for personal use. These goods had a selling price of £16,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £11,000, Credit Purchases £11,000
- B: Debit Drawings £16,500, Credit Revenue £16,500
- C: Debit Purchases £11,000, Credit Drawings £11,000
- D: Debit Inventory £11,000, Credit Drawings £11,000

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

The Receivables Ledger Control Account of Aura Goods Ltd 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

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■ Section Complete!

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■ **Go to:** <https://applaa.com/practice/check?exam=acca&paper=177>

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.