



Applaa ACCA Practice Mock 178

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;=178> 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]

Summit Manufacturing Ltd disposed of a delivery vehicle for £67,200. The vehicle had originally cost £112,000 and had accumulated depreciation of £56,000 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 £11,200
- B: Loss on disposal of £11,200
- C: Gain on disposal of £-44,800
- D: Loss on disposal of £56,000

Question 2 — [Financial Accounting / VAT Computations]

For the last quarter, Crown Paper Ltd had net credit sales of £96,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £57,600. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £9,600 Payable
- B: £9,600 Reclaimable
- C: £19,200 Payable
- D: £7,680 Payable

Question 3 — [Financial Accounting / VAT Computations]

For the last quarter, Vanguard Retail Ltd had net credit sales of £42,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £25,200. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £4,200 Payable
- B: £4,200 Reclaimable
- C: £8,400 Payable
- D: £3,360 Payable

Question 4 — [Financial Accounting / VAT Computations]

For the last quarter, Solar Energy plc had net credit sales of £12,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £7,200. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £1,200 Payable
- B: £1,200 Reclaimable
- C: £2,400 Payable
- D: £960 Payable

Question 5 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Nova Tech Solutions Ltd took goods costing £1,800 from the business for personal use. These goods had a selling price of £2,700. What is the correct double entry to record this transaction?

- A: Debit Drawings £1,800, Credit Purchases £1,800
- B: Debit Drawings £2,700, Credit Revenue £2,700
- C: Debit Purchases £1,800, Credit Drawings £1,800
- D: Debit Inventory £1,800, Credit Drawings £1,800

Question 6 — [Financial Accounting / VAT Computations]

A grocery distributor, Titan Steel plc, recorded net sales of £200,000 for standard-rate products (20% VAT) and £100,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £40,000
- B: £60,000
- C: £20,000
- D: £0 (all food products are exempt from output VAT)

Question 7 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Nexus Media plc was £120,000. An error was discovered: Closing inventory was overstated by £18,000. What is the revised profit after correcting this error?

- A: £138,000
- B: £102,000
- C: £120,000 (no effect on profit)
- D: £84,000

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

At 31 March, the bank statement of Zephyr Services LLP 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 Zephyr Services LLP's cash book?

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

Question 9 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Apex Trading 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 10 — [Financial Accounting / VAT Computations]

For the last quarter, Beacon Logistics LLP had net credit sales of £54,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £32,400. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £5,400 Payable
- B: £5,400 Reclaimable
- C: £10,800 Payable
- D: £4,320 Payable

Question 11 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Atlas Transport Ltd shows a credit balance of £16,800. Unpresented checks total £4,200, and outstanding uncleared lodgements total £2,100. What is the reconciled balance that should appear in Atlas Transport Ltd's cash book?

- A: £14,700
- B: £18,900
- C: £23,100
- D: £10,500

Question 12 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Falcon Engineering Ltd shows a credit balance of £3,200. Unpresented checks total £800, and outstanding uncleared lodgements total £400. What is the reconciled balance that should appear in Falcon Engineering Ltd's cash book?

- A: £2,800
- B: £3,600
- C: £4,400
- D: £2,000

Question 13 — [Financial Accounting / VAT Computations]

A retail store, Falcon Engineering Ltd, 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 Falcon Engineering Ltd?

- 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 14 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £30,000. The residual value of the machine is estimated to be £3,000 with an estimated useful life of 5 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: £24,600
- B: £19,200
- C: £16,200
- D: £21,600

Question 15 — [Financial Accounting / Asset Valuation and Depreciation]

Apex Trading Ltd disposed of a delivery vehicle for £46,080. The vehicle had originally cost £76,800 and had accumulated depreciation of £38,400 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 £7,680
- B: Loss on disposal of £7,680
- C: Gain on disposal of £-30,720
- D: Loss on disposal of £38,400

Question 16 — [Financial Accounting / VAT Computations]

A grocery distributor, Pinnacle Consulting Ltd, recorded net sales of £67,200 for standard-rate products (20% VAT) and £33,600 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £13,440
- B: £20,160
- C: £6,720
- D: £0 (all food products are exempt from output VAT)

Question 17 — [Financial Accounting / VAT Computations]

A retail store, Aura Goods Ltd, 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 Aura Goods Ltd?

- 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 18 — [Financial Accounting / Asset Valuation and Depreciation]

Beacon Logistics LLP disposed of a delivery vehicle for £46,080. The vehicle had originally cost £76,800 and had accumulated depreciation of £38,400 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 £7,680
- B: Loss on disposal of £7,680
- C: Gain on disposal of £-30,720
- D: Loss on disposal of £38,400

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

For the year ended 31 December, Swift Logistics Ltd paid rent of £5,400. At the year-end, the company had an outstanding electricity invoice of £450 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £450, Credit Electricity Expense £450
- B: Debit Electricity Expense £450, Credit Accruals (Liabilities) £450
- C: Debit Cash £450, Credit Electricity Expense £450
- D: Debit Electricity Expense £450, Credit Prepayments (Assets) £450

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

At 31 March, the bank statement of Meridian Distributors Ltd shows a credit balance of £38,400. Unpresented checks total £9,600, and outstanding uncleared lodgements total £4,800. What is the reconciled balance that should appear in Meridian Distributors Ltd's cash book?

- A: £33,600
- B: £43,200
- C: £52,800
- D: £24,000

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■ 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;=178>

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.