



# Applaa ACCA Practice Mock 179

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;=179> 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]

Solar Energy plc completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £42,000, and 2) Had the exterior of the existing office block repainted for £4,200. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£42,000), Repainting: Revenue Expenditure (£4,200)
- C: Warehouse system: Revenue Expenditure (£42,000), Repainting: Capital Expenditure (£4,200)
- D: Both projects are Revenue Expenditure.

### Question 2 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Summit Manufacturing Ltd paid rent of £49,500. At the year-end, the company had an outstanding electricity invoice of £4,125 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £4,125, Credit Electricity Expense £4,125
- B: Debit Electricity Expense £4,125, Credit Accruals (Liabilities) £4,125
- C: Debit Cash £4,125, Credit Electricity Expense £4,125
- D: Debit Electricity Expense £4,125, Credit Prepayments (Assets) £4,125

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

Vanguard Retail Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £42,000, and 2) Had the exterior of the existing office block repainted for £4,200. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£42,000), Repainting: Revenue Expenditure (£4,200)
- C: Warehouse system: Revenue Expenditure (£42,000), Repainting: Capital Expenditure (£4,200)
- D: Both projects are Revenue Expenditure.

### Question 4 — [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 £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 5 — [Financial Accounting / VAT Computations]**

A retail store, Atlas Transport 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 Atlas Transport 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 6 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Omega Foodstuffs plc took goods costing £7,500 from the business for personal use. These goods had a selling price of £11,250. What is the correct double entry to record this transaction?

- A: Debit Drawings £7,500, Credit Purchases £7,500
- B: Debit Drawings £11,250, Credit Revenue £11,250
- C: Debit Purchases £7,500, Credit Drawings £7,500
- D: Debit Inventory £7,500, Credit Drawings £7,500

**Question 7 — [Financial Accounting / VAT Computations]**

Alpha Properties Ltd purchased a motor car for £72,000 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 8 — [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 £180,000, and 2) Had the exterior of the existing office block repainted for £18,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£180,000), Repainting: Revenue Expenditure (£18,000)
- C: Warehouse system: Revenue Expenditure (£180,000), Repainting: Capital Expenditure (£18,000)
- D: Both projects are Revenue Expenditure.

**Question 9 — [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 £180,000, and 2) Had the exterior of the existing office block repainted for £18,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£180,000), Repainting: Revenue Expenditure (£18,000)
- C: Warehouse system: Revenue Expenditure (£180,000), Repainting: Capital Expenditure (£18,000)
- D: Both projects are Revenue Expenditure.

**Question 10 — [Financial Accounting / Trial Balance Reconciliation]**

The trial balance of Solar Energy plc balanced perfectly. However, it was later discovered that a purchase of equipment costing £22,000 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 11 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Summit Manufacturing Ltd 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 Summit Manufacturing Ltd's cash book?

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

**Question 12 — [Financial Accounting / VAT Computations]**

A retail store, Alpha Properties Ltd, 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 Alpha Properties Ltd?

- 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 / Double-Entry Bookkeeping]**

The Receivables Ledger Control Account of Meridian Distributors Ltd is shown in the diagram. Credit sales of £16,500 were recorded, and cash of £13,200 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £11,550 Debit closing balance
- B: £11,550 Credit closing balance
- C: £24,750 Debit closing balance
- D: £13,200 Credit closing balance

**Question 14 — [Financial Accounting / VAT Computations]**

Nova Tech Solutions Ltd purchased a motor car for £250,000 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 15 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Summit Manufacturing Ltd took goods costing £2,100 from the business for personal use. These goods had a selling price of £3,150. What is the correct double entry to record this transaction?

- A: Debit Drawings £2,100, Credit Purchases £2,100
- B: Debit Drawings £3,150, Credit Revenue £3,150
- C: Debit Purchases £2,100, Credit Drawings £2,100
- D: Debit Inventory £2,100, Credit Drawings £2,100

**Question 16 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Atlas Transport 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 Atlas Transport Ltd's cash book?

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

**Question 17 — [Financial Accounting / VAT Computations]**

A retail store, Nexus Media 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 Nexus Media 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 18 — [Financial Accounting / Trial Balance Reconciliation]**

Before correcting the year-end errors, the draft profit of Alpha Properties Ltd 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 19 — [Financial Accounting / Asset Valuation and Depreciation]**

Genesis Enterprises Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £165,000, and 2) Had the exterior of the existing office block repainted for £16,500. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£165,000), Repainting: Revenue Expenditure (£16,500)
- C: Warehouse system: Revenue Expenditure (£165,000), Repainting: Capital Expenditure (£16,500)
- D: Both projects are Revenue Expenditure.

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

The sole trader of Genesis Enterprises Ltd took goods costing £2,400 from the business for personal use. These goods had a selling price of £3,600. What is the correct double entry to record this transaction?

- A: Debit Drawings £2,400, Credit Purchases £2,400
- B: Debit Drawings £3,600, Credit Revenue £3,600
- C: Debit Purchases £2,400, Credit Drawings £2,400
- D: Debit Inventory £2,400, Credit Drawings £2,400

# 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;=179>

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.