



# Applaa ACCA Practice Mock 18

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=18>

# 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;=18> 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]

The trial balance of Nova Tech Solutions 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 2 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Genesis Enterprises Ltd took goods costing £1,200 from the business for personal use. These goods had a selling price of £1,800. What is the correct double entry to record this transaction?

- A: Debit Drawings £1,200, Credit Purchases £1,200
- B: Debit Drawings £1,800, Credit Revenue £1,800
- C: Debit Purchases £1,200, Credit Drawings £1,200
- D: Debit Inventory £1,200, Credit Drawings £1,200

### Question 3 — [Financial Accounting / Double-Entry Bookkeeping]

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

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

### Question 4 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Beacon Logistics LLP was £120,000. An error was discovered: Closing inventory was overstated by £7,200. What is the revised profit after correcting this error?

- A: £127,200
- B: £112,800
- C: £120,000 (no effect on profit)
- D: £105,600

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

An entity purchased a machine on 1 January Year 1 for £48,000. The residual value of the machine is estimated to be £4,800 with an estimated useful life of 8 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: £42,600
- B: £37,200
- C: £32,400
- D: £37,800

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

At 31 March, the bank statement of Alpha Properties Ltd shows a credit balance of £88,000. Unpresented checks total £22,000, and outstanding uncleared lodgements total £11,000. What is the reconciled balance that should appear in Alpha Properties Ltd's cash book?

- A: £77,000
- B: £99,000
- C: £121,000
- D: £55,000

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

At 31 March, the bank statement of Beacon Logistics LLP 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 Beacon Logistics LLP's cash book?

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

**Question 8 — [Financial Accounting / VAT Computations]**

A grocery distributor, Beacon Logistics LLP, recorded net sales of £120,000 for standard-rate products (20% VAT) and £60,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £24,000
- B: £36,000
- C: £12,000
- D: £0 (all food products are exempt from output VAT)

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

At 31 March, the bank statement of Apex Trading Ltd shows a credit balance of £72,000. Unpresented checks total £18,000, and outstanding uncleared lodgements total £9,000. What is the reconciled balance that should appear in Apex Trading Ltd's cash book?

- A: £63,000
- B: £81,000
- C: £99,000
- D: £45,000

**Question 10 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Genesis Enterprises 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 11 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Omega Foodstuffs plc took goods costing £400 from the business for personal use. These goods had a selling price of £600. What is the correct double entry to record this transaction?

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

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

For the year ended 31 December, Falcon Engineering Ltd paid rent of £18,000. At the year-end, the company had an outstanding electricity invoice of £1,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £1,500, Credit Electricity Expense £1,500
- B: Debit Electricity Expense £1,500, Credit Accruals (Liabilities) £1,500
- C: Debit Cash £1,500, Credit Electricity Expense £1,500
- D: Debit Electricity Expense £1,500, Credit Prepayments (Assets) £1,500

**Question 13 — [Financial Accounting / Asset Valuation and Depreciation]**

Omega Foodstuffs plc completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £220,000, and 2) Had the exterior of the existing office block repainted for £22,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£220,000), Repainting: Revenue Expenditure (£22,000)
- C: Warehouse system: Revenue Expenditure (£220,000), Repainting: Capital Expenditure (£22,000)
- D: Both projects are Revenue Expenditure.

**Question 14 — [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 £25,000 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 15 — [Financial Accounting / VAT Computations]**

Atlas Transport Ltd purchased a motor car for £36,000 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 16 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Swift Logistics Ltd took goods costing £7,000 from the business for personal use. These goods had a selling price of £10,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £7,000, Credit Purchases £7,000
- B: Debit Drawings £10,500, Credit Revenue £10,500
- C: Debit Purchases £7,000, Credit Drawings £7,000
- D: Debit Inventory £7,000, Credit Drawings £7,000

**Question 17 — [Financial Accounting / Trial Balance Reconciliation]**

A bookkeeper at Beacon Logistics LLP prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £600. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £300 was completely omitted from the books.
- B: A cash payment of £300 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £300 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £300 was debited to the Purchase Returns account and credited to Receivables Control.

**Question 18 — [Financial Accounting / Asset Valuation and Depreciation]**

An entity purchased a machine on 1 January Year 1 for £24,000. The residual value of the machine is estimated to be £2,400 with an estimated useful life of 15 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: £22,560
- B: £21,120
- C: £18,720
- D: £20,160

**Question 19 — [Financial Accounting / VAT Computations]**

A retail store, Meridian Distributors Ltd, purchased inventories for a gross total of £4,800 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Meridian Distributors Ltd?

- A: Net Cost: £4,000, VAT Recoverable: £800
- B: Net Cost: £4,800, VAT Recoverable: £960
- C: Net Cost: £3,840, VAT Recoverable: £960
- D: Net Cost: £4,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

**Question 20 — [Financial Accounting / Asset Valuation and Depreciation]**

An entity purchased a machine on 1 January Year 1 for £4,000. The residual value of the machine is estimated to be £400 with an estimated useful life of 8 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: £3,550
- B: £3,100
- C: £2,700
- D: £3,150

# 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;=18>

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.