



Applaa ACCA Practice Mock 187

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;=187> 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 / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Swift Logistics Ltd is shown in the diagram. Credit sales of £25,000 were recorded, and cash of £20,000 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £17,500 Debit closing balance
- B: £17,500 Credit closing balance
- C: £37,500 Debit closing balance
- D: £20,000 Credit closing balance

Question 2 — [Financial Accounting / VAT Computations]

Omega Foodstuffs plc 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 3 — [Financial Accounting / VAT Computations]

Meridian Distributors Ltd purchased a motor car for £140,000 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 4 — [Financial Accounting / Asset Valuation and Depreciation]

Nova Tech Solutions Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £60,000, and 2) Had the exterior of the existing office block repainted for £6,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£60,000), Repainting: Revenue Expenditure (£6,000)
- C: Warehouse system: Revenue Expenditure (£60,000), Repainting: Capital Expenditure (£6,000)
- D: Both projects are Revenue Expenditure.

Question 5 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Swift Logistics Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £450. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £225 was completely omitted from the books.
- B: A cash payment of £225 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £225 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £225 was debited to the Purchase Returns account and credited to Receivables Control.

Question 6 — [Financial Accounting / VAT Computations]

Falcon Engineering Ltd purchased a motor car for £96,000 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 7 — [Financial Accounting / VAT Computations]

Crest Hotels Ltd purchased a motor car for £42,000 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 / Double-Entry Bookkeeping]

For the year ended 31 December, Swift Logistics Ltd paid rent of £7,200. At the year-end, the company had an outstanding electricity invoice of £600 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £600, Credit Electricity Expense £600
- B: Debit Electricity Expense £600, Credit Accruals (Liabilities) £600
- C: Debit Cash £600, Credit Electricity Expense £600
- D: Debit Electricity Expense £600, Credit Prepayments (Assets) £600

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

Vanguard Retail Ltd disposed of a delivery vehicle for £72,000. The vehicle had originally cost £120,000 and had accumulated depreciation of £60,000 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 £12,000
- B: Loss on disposal of £12,000
- C: Gain on disposal of £-48,000
- D: Loss on disposal of £60,000

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

The Receivables Ledger Control Account of Alpha Properties Ltd is shown in the diagram. Credit sales of £1,200 were recorded, and cash of £960 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £840 Debit closing balance
- B: £840 Credit closing balance
- C: £1,800 Debit closing balance
- D: £960 Credit closing balance

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

The sole trader of Omega Foodstuffs plc took goods costing £4,800 from the business for personal use. These goods had a selling price of £7,200. What is the correct double entry to record this transaction?

- A: Debit Drawings £4,800, Credit Purchases £4,800
- B: Debit Drawings £7,200, Credit Revenue £7,200
- C: Debit Purchases £4,800, Credit Drawings £4,800
- D: Debit Inventory £4,800, Credit Drawings £4,800

Question 12 — [Financial Accounting / VAT Computations]

For the last quarter, Aura Goods Ltd had net credit sales of £165,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £99,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £16,500 Payable
- B: £16,500 Reclaimable
- C: £33,000 Payable
- D: £13,200 Payable

Question 13 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Falcon Engineering Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £360. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £180 was completely omitted from the books.
- B: A cash payment of £180 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £180 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £180 was debited to the Purchase Returns account and credited to Receivables Control.

Question 14 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Solar Energy plc 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 Solar Energy plc's cash book?

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

Question 15 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Alpha Properties Ltd took goods costing £900 from the business for personal use. These goods had a selling price of £1,350. What is the correct double entry to record this transaction?

- A: Debit Drawings £900, Credit Purchases £900
- B: Debit Drawings £1,350, Credit Revenue £1,350
- C: Debit Purchases £900, Credit Drawings £900
- D: Debit Inventory £900, Credit Drawings £900

Question 16 — [Financial Accounting / VAT Computations]

For the last quarter, Nova Tech Solutions Ltd had net credit sales of £18,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £10,800. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £1,800 Payable
- B: £1,800 Reclaimable
- C: £3,600 Payable
- D: £1,440 Payable

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

At 31 March, the bank statement of Beacon Logistics LLP shows a credit balance of £60,000. Unpresented checks total £15,000, and outstanding uncleared lodgements total £7,500. What is the reconciled balance that should appear in Beacon Logistics LLP's cash book?

- A: £52,500
- B: £67,500
- C: £82,500
- D: £37,500

Question 18 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Swift Logistics Ltd was £120,000. An error was discovered: Closing inventory was overstated by £22,000. What is the revised profit after correcting this error?

- A: £142,000
- B: £98,000
- C: £120,000 (no effect on profit)
- D: £76,000

Question 19 — [Financial Accounting / Asset Valuation and Depreciation]

Genesis Enterprises 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 20 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Crown Paper 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 Crown Paper Ltd's cash book?

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

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■ Section Complete!

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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.