



Applaa ACCA Practice Mock 20

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;=20> 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]

At 31 March, the bank statement of Solar Energy plc shows a credit balance of £33,600. Unpresented checks total £8,400, and outstanding uncleared lodgements total £4,200. What is the reconciled balance that should appear in Solar Energy plc's cash book?

- A: £29,400
- B: £37,800
- C: £46,200
- D: £21,000

Question 2 — [Financial Accounting / VAT Computations]

A grocery distributor, Titan Steel plc, recorded net sales of £43,200 for standard-rate products (20% VAT) and £21,600 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £8,640
- B: £12,960
- C: £4,320
- D: £0 (all food products are exempt from output VAT)

Question 3 — [Financial Accounting / VAT Computations]

A retail store, Genesis Enterprises Ltd, purchased inventories for a gross total of £9,600 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: £8,000, VAT Recoverable: £1,600
- B: Net Cost: £9,600, VAT Recoverable: £1,920
- C: Net Cost: £7,680, VAT Recoverable: £1,920
- D: Net Cost: £8,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 4 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £6,000. The residual value of the machine is estimated to be £600 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: £5,640
- B: £5,280
- C: £4,680
- D: £5,040

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

Genesis Enterprises Ltd disposed of a delivery vehicle for £120,000. The vehicle had originally cost £200,000 and had accumulated depreciation of £100,000 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 £20,000
- B: Loss on disposal of £20,000
- C: Gain on disposal of £-80,000
- D: Loss on disposal of £100,000

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

For the year ended 31 December, Falcon Engineering 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 7 — [Financial Accounting / Asset Valuation and Depreciation]

Atlas Transport Ltd disposed of a delivery vehicle for £40,320. The vehicle had originally cost £67,200 and had accumulated depreciation of £33,600 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 £6,720
- B: Loss on disposal of £6,720
- C: Gain on disposal of £-26,880
- D: Loss on disposal of £33,600

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

The sole trader of Omega Foodstuffs plc 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 9 — [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 £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 10 — [Financial Accounting / VAT Computations]

A retail store, Crest Hotels Ltd, purchased inventories for a gross total of £2,400 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Crest Hotels Ltd?

- A: Net Cost: £2,000, VAT Recoverable: £400
- B: Net Cost: £2,400, VAT Recoverable: £480
- C: Net Cost: £1,920, VAT Recoverable: £480
- D: Net Cost: £2,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 11 — [Financial Accounting / VAT Computations]

A grocery distributor, Apex Trading Ltd, recorded net sales of £48,000 for standard-rate products (20% VAT) and £24,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £9,600
- B: £14,400
- C: £4,800
- D: £0 (all food products are exempt from output VAT)

Question 12 — [Financial Accounting / VAT Computations]

A grocery distributor, Summit Manufacturing Ltd, recorded net sales of £28,800 for standard-rate products (20% VAT) and £14,400 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £5,760
- B: £8,640
- C: £2,880
- D: £0 (all food products are exempt from output VAT)

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

Aura Goods Ltd disposed of a delivery vehicle for £17,280. The vehicle had originally cost £28,800 and had accumulated depreciation of £14,400 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 £2,880
- B: Loss on disposal of £2,880
- C: Gain on disposal of £-11,520
- D: Loss on disposal of £14,400

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

An entity purchased a machine on 1 January Year 1 for £90,000. The residual value of the machine is estimated to be £9,000 with an estimated useful life of 10 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: £81,900
- B: £73,800
- C: £64,800
- D: £72,900

Question 15 — [Financial Accounting / VAT Computations]

A retail store, Summit Manufacturing Ltd, 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 Summit Manufacturing Ltd?

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

Apex Trading Ltd 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 17 — [Financial Accounting / VAT Computations]

Atlas Transport 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 18 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Alpha Properties Ltd took goods costing £6,250 from the business for personal use. These goods had a selling price of £9,375. What is the correct double entry to record this transaction?

- A: Debit Drawings £6,250, Credit Purchases £6,250
- B: Debit Drawings £9,375, Credit Revenue £9,375
- C: Debit Purchases £6,250, Credit Drawings £6,250
- D: Debit Inventory £6,250, Credit Drawings £6,250

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

The Receivables Ledger Control Account of Titan Steel plc is shown in the diagram. Credit sales of £8,400 were recorded, and cash of £6,720 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £5,880 Debit closing balance
- B: £5,880 Credit closing balance
- C: £12,600 Debit closing balance
- D: £6,720 Credit closing balance

Question 20 — [Financial Accounting / Trial Balance Reconciliation]

A suspense account was opened with a debit balance of £2,400. It was discovered that a cash receipt of £2,400 from a credit customer was credited to the cash account and credited to Receivables Control. What is the correcting journal entry to clear the suspense account?

- A: Debit Cash £4,800, Credit Suspense Account £4,800
- B: Debit Receivables Control £2,400, Credit Suspense £2,400
- C: Debit Suspense £4,800, Credit Cash £4,800
- D: Debit Cash £2,400, Credit Receivables Control £2,400

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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;=20>

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.