



Applaa ACCA Practice Mock 21

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;=21> 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 / VAT Computations]

For the last quarter, Crown Paper Ltd had net credit sales of £125,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £75,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £12,500 Payable
- B: £12,500 Reclaimable
- C: £25,000 Payable
- D: £10,000 Payable

Question 2 — [Financial Accounting / VAT Computations]

A grocery distributor, Meridian Distributors 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 3 — [Financial Accounting / VAT Computations]

For the last quarter, Genesis Enterprises Ltd 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 4 — [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 £800. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £400 was completely omitted from the books.
- B: A cash payment of £400 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £400 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £400 was debited to the Purchase Returns account and credited to Receivables Control.

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

At 31 March, the bank statement of Vanguard Retail Ltd shows a credit balance of £7,200. Unpresented checks total £1,800, and outstanding uncleared lodgements total £900. What is the reconciled balance that should appear in Vanguard Retail Ltd's cash book?

- A: £6,300
- B: £8,100
- C: £9,900
- D: £4,500

Question 6 — [Financial Accounting / Asset Valuation and Depreciation]

Meridian Distributors Ltd disposed of a delivery vehicle for £105,600. The vehicle had originally cost £176,000 and had accumulated depreciation of £88,000 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 £17,600
- B: Loss on disposal of £17,600
- C: Gain on disposal of £-70,400
- D: Loss on disposal of £88,000

Question 7 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £18,000. The residual value of the machine is estimated to be £1,800 with an estimated useful life of 6 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: £15,300
- B: £12,600
- C: £10,800
- D: £13,500

Question 8 — [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 £16,500 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 9 — [Financial Accounting / VAT Computations]

A grocery distributor, Nexus Media plc, recorded net sales of £132,000 for standard-rate products (20% VAT) and £66,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £26,400
- B: £39,600
- C: £13,200
- D: £0 (all food products are exempt from output VAT)

Question 10 — [Financial Accounting / Asset Valuation and Depreciation]

Crown Paper Ltd disposed of a delivery vehicle for £79,200. The vehicle had originally cost £132,000 and had accumulated depreciation of £66,000 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 £13,200
- B: Loss on disposal of £13,200
- C: Gain on disposal of £-52,800
- D: Loss on disposal of £66,000

Question 11 — [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 £8,000, and 2) Had the exterior of the existing office block repainted for £800. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£8,000), Repainting: Revenue Expenditure (£800)
- C: Warehouse system: Revenue Expenditure (£8,000), Repainting: Capital Expenditure (£800)
- D: Both projects are Revenue Expenditure.

Question 12 — [Financial Accounting / VAT Computations]

A grocery distributor, Solar Energy plc, recorded net sales of £176,000 for standard-rate products (20% VAT) and £88,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £35,200
- B: £52,800
- C: £17,600
- D: £0 (all food products are exempt from output VAT)

Question 13 — [Financial Accounting / Trial Balance Reconciliation]

A suspense account was opened with a debit balance of £4,800. It was discovered that a cash receipt of £4,800 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 £9,600, Credit Suspense Account £9,600
- B: Debit Receivables Control £4,800, Credit Suspense £4,800
- C: Debit Suspense £9,600, Credit Cash £9,600
- D: Debit Cash £4,800, Credit Receivables Control £4,800

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

Aura Goods Ltd disposed of a delivery vehicle for £60,000. The vehicle had originally cost £100,000 and had accumulated depreciation of £50,000 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 £10,000
- B: Loss on disposal of £10,000
- C: Gain on disposal of £-40,000
- D: Loss on disposal of £50,000

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

Solar Energy plc 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 16 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Beacon Logistics LLP balanced perfectly. However, it was later discovered that a purchase of equipment costing £12,500 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 17 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Falcon Engineering 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 18 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Solar Energy plc prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £900. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £450 was completely omitted from the books.
- B: A cash payment of £450 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £450 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £450 was debited to the Purchase Returns account and credited to Receivables Control.

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

The sole trader of Vanguard Retail 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 20 — [Financial Accounting / VAT Computations]

Atlas Transport 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.

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;=21>

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.