



# Applaa ACCA Practice Mock 212

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;=212> 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]

Vanguard Retail Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £96,000, and 2) Had the exterior of the existing office block repainted for £9,600. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£96,000), Repainting: Revenue Expenditure (£9,600)
- C: Warehouse system: Revenue Expenditure (£96,000), Repainting: Capital Expenditure (£9,600)
- D: Both projects are Revenue Expenditure.

### Question 2 — [Financial Accounting / VAT Computations]

A grocery distributor, Zephyr Services LLP, recorded net sales of £38,400 for standard-rate products (20% VAT) and £19,200 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £7,680
- B: £11,520
- C: £3,840
- D: £0 (all food products are exempt from output VAT)

### Question 3 — [Financial Accounting / VAT Computations]

A grocery distributor, Summit Manufacturing Ltd, recorded net sales of £6,400 for standard-rate products (20% VAT) and £3,200 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £1,280
- B: £1,920
- C: £640
- D: £0 (all food products are exempt from output VAT)

### Question 4 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Solar Energy plc is shown in the diagram. Credit sales of £4,200 were recorded, and cash of £3,360 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £2,940 Debit closing balance
- B: £2,940 Credit closing balance
- C: £6,300 Debit closing balance
- D: £3,360 Credit closing balance

**Question 5 — [Financial Accounting / VAT Computations]**

Atlas Transport Ltd purchased a motor car for £125,000 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 6 — [Financial Accounting / VAT Computations]**

A retail store, Titan Steel plc, purchased inventories for a gross total of £22,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Titan Steel plc?

- A: Net Cost: £18,333, VAT Recoverable: £3,667
- B: Net Cost: £22,000, VAT Recoverable: £4,400
- C: Net Cost: £17,600, VAT Recoverable: £4,400
- D: Net Cost: £18,333, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

Aura Goods 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 8 — [Financial Accounting / Double-Entry Bookkeeping]**

For the year ended 31 December, Swift Logistics Ltd paid rent of £14,400. At the year-end, the company had an outstanding electricity invoice of £1,200 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £1,200, Credit Electricity Expense £1,200
- B: Debit Electricity Expense £1,200, Credit Accruals (Liabilities) £1,200
- C: Debit Cash £1,200, Credit Electricity Expense £1,200
- D: Debit Electricity Expense £1,200, Credit Prepayments (Assets) £1,200

**Question 9 — [Financial Accounting / Trial Balance Reconciliation]**

A bookkeeper at Crown Paper Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £420. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £210 was completely omitted from the books.
- B: A cash payment of £210 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £210 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £210 was debited to the Purchase Returns account and credited to Receivables Control.

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

The trial balance of Alpha Properties Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £11,000 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]**

For the year ended 31 December, Crown Paper Ltd paid rent of £54,000. At the year-end, the company had an outstanding electricity invoice of £4,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £4,500, Credit Electricity Expense £4,500
- B: Debit Electricity Expense £4,500, Credit Accruals (Liabilities) £4,500
- C: Debit Cash £4,500, Credit Electricity Expense £4,500
- D: Debit Electricity Expense £4,500, Credit Prepayments (Assets) £4,500

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

Genesis Enterprises 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 13 — [Financial Accounting / VAT Computations]**

For the last quarter, Solar Energy plc 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 14 — [Financial Accounting / VAT Computations]**

A grocery distributor, Falcon Engineering 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 15 — [Financial Accounting / VAT Computations]**

Pinnacle Consulting 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 16 — [Financial Accounting / VAT Computations]**

A grocery distributor, Atlas Transport Ltd, recorded net sales of £100,000 for standard-rate products (20% VAT) and £50,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £20,000
- B: £30,000
- C: £10,000
- D: £0 (all food products are exempt from output VAT)

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

At 31 March, the bank statement of Pinnacle Consulting Ltd 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 Pinnacle Consulting Ltd's cash book?

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

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

Vanguard Retail Ltd disposed of a delivery vehicle for £8,640. The vehicle had originally cost £14,400 and had accumulated depreciation of £7,200 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 £1,440
- B: Loss on disposal of £1,440
- C: Gain on disposal of £-5,760
- D: Loss on disposal of £7,200

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

A retail store, Genesis Enterprises Ltd, purchased inventories for a gross total of £1,800 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: £1,500, VAT Recoverable: £300
- B: Net Cost: £1,800, VAT Recoverable: £360
- C: Net Cost: £1,440, VAT Recoverable: £360
- D: Net Cost: £1,500, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

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

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

# 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;=212>

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.