



Applaa ACCA Practice Mock 214

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;=214> 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 / 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 £2,400. What is the revised profit after correcting this error?

- A: £122,400
- B: £117,600
- C: £120,000 (no effect on profit)
- D: £115,200

Question 2 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Beacon Logistics LLP paid rent of £37,500. At the year-end, the company had an outstanding electricity invoice of £3,125 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £3,125, Credit Electricity Expense £3,125
- B: Debit Electricity Expense £3,125, Credit Accruals (Liabilities) £3,125
- C: Debit Cash £3,125, Credit Electricity Expense £3,125
- D: Debit Electricity Expense £3,125, Credit Prepayments (Assets) £3,125

Question 3 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Summit Manufacturing Ltd was £120,000. An error was discovered: Closing inventory was overstated by £25,000. What is the revised profit after correcting this error?

- A: £145,000
- B: £95,000
- C: £120,000 (no effect on profit)
- D: £70,000

Question 4 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Omega Foodstuffs plc was £120,000. An error was discovered: Closing inventory was overstated by £800. What is the revised profit after correcting this error?

- A: £120,800
- B: £119,200
- C: £120,000 (no effect on profit)
- D: £118,400

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

The Receivables Ledger Control Account of Nova Tech Solutions Ltd 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 6 — [Financial Accounting / VAT Computations]

A retail store, Titan Steel plc, purchased inventories for a gross total of £800 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: £666, VAT Recoverable: £134
- B: Net Cost: £800, VAT Recoverable: £160
- C: Net Cost: £640, VAT Recoverable: £160
- D: Net Cost: £666, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

At 31 March, the bank statement of Alpha Properties Ltd 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 Alpha Properties Ltd's cash book?

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

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

The Receivables Ledger Control Account of Solar Energy plc is shown in the diagram. Credit sales of £12,500 were recorded, and cash of £10,000 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £8,750 Debit closing balance
- B: £8,750 Credit closing balance
- C: £18,750 Debit closing balance
- D: £10,000 Credit closing balance

Question 9 — [Financial Accounting / VAT Computations]

A retail store, Vanguard Retail Ltd, purchased inventories for a gross total of £8,400 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Vanguard Retail Ltd?

- A: Net Cost: £7,000, VAT Recoverable: £1,400
- B: Net Cost: £8,400, VAT Recoverable: £1,680
- C: Net Cost: £6,720, VAT Recoverable: £1,680
- D: Net Cost: £7,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

For the year ended 31 December, Atlas Transport Ltd paid rent of £75,000. At the year-end, the company had an outstanding electricity invoice of £6,250 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £6,250, Credit Electricity Expense £6,250
- B: Debit Electricity Expense £6,250, Credit Accruals (Liabilities) £6,250
- C: Debit Cash £6,250, Credit Electricity Expense £6,250
- D: Debit Electricity Expense £6,250, Credit Prepayments (Assets) £6,250

Question 11 — [Financial Accounting / VAT Computations]

For the last quarter, Summit Manufacturing Ltd had net credit sales of £72,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £43,200. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £7,200 Payable
- B: £7,200 Reclaimable
- C: £14,400 Payable
- D: £5,760 Payable

Question 12 — [Financial Accounting / VAT Computations]

A grocery distributor, Apex Trading Ltd, 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 13 — [Financial Accounting / VAT Computations]

A grocery distributor, Crest Hotels Ltd, 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 14 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Solar Energy plc paid rent of £66,000. At the year-end, the company had an outstanding electricity invoice of £5,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £5,500, Credit Electricity Expense £5,500
- B: Debit Electricity Expense £5,500, Credit Accruals (Liabilities) £5,500
- C: Debit Cash £5,500, Credit Electricity Expense £5,500
- D: Debit Electricity Expense £5,500, Credit Prepayments (Assets) £5,500

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

The sole trader of Vanguard Retail Ltd took goods costing £2,400 from the business for personal use. These goods had a selling price of £3,600. What is the correct double entry to record this transaction?

- A: Debit Drawings £2,400, Credit Purchases £2,400
- B: Debit Drawings £3,600, Credit Revenue £3,600
- C: Debit Purchases £2,400, Credit Drawings £2,400
- D: Debit Inventory £2,400, Credit Drawings £2,400

Question 16 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Genesis Enterprises Ltd 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 17 — [Financial Accounting / VAT Computations]

For the last quarter, Apex Trading Ltd had net credit sales of £60,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £36,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £6,000 Payable
- B: £6,000 Reclaimable
- C: £12,000 Payable
- D: £4,800 Payable

Question 18 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Atlas Transport Ltd 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 Atlas Transport Ltd's cash book?

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

Question 19 — [Financial Accounting / VAT Computations]

A grocery distributor, Pinnacle Consulting Ltd, 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 20 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Swift Logistics Ltd is shown in the diagram. Credit sales of £1,800 were recorded, and cash of £1,440 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £1,260 Debit closing balance
- B: £1,260 Credit closing balance
- C: £2,700 Debit closing balance
- D: £1,440 Credit closing balance

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;=214>

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.