



Applaa ACCA Practice Mock 223

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;=223> 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 Atlas Transport 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 2 — [Financial Accounting / VAT Computations]

A retail store, Zephyr Services LLP, 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 Zephyr Services LLP?

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

Genesis Enterprises Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £250,000, and 2) Had the exterior of the existing office block repainted for £25,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£250,000), Repainting: Revenue Expenditure (£25,000)
- C: Warehouse system: Revenue Expenditure (£250,000), Repainting: Capital Expenditure (£25,000)
- D: Both projects are Revenue Expenditure.

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

The Receivables Ledger Control Account of Pinnacle Consulting Ltd is shown in the diagram. Credit sales of £11,000 were recorded, and cash of £8,800 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £7,700 Debit closing balance
- B: £7,700 Credit closing balance
- C: £16,500 Debit closing balance
- D: £8,800 Credit closing balance

Question 5 — [Financial Accounting / VAT Computations]

A retail store, Nexus Media plc, 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 Nexus Media plc?

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

For the year ended 31 December, Crest Hotels Ltd paid rent of £49,500. At the year-end, the company had an outstanding electricity invoice of £4,125 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £4,125, Credit Electricity Expense £4,125
- B: Debit Electricity Expense £4,125, Credit Accruals (Liabilities) £4,125
- C: Debit Cash £4,125, Credit Electricity Expense £4,125
- D: Debit Electricity Expense £4,125, Credit Prepayments (Assets) £4,125

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

Pinnacle Consulting 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 8 — [Financial Accounting / VAT Computations]

A retail store, Summit Manufacturing Ltd, purchased inventories for a gross total of £7,200 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: £6,000, VAT Recoverable: £1,200
- B: Net Cost: £7,200, VAT Recoverable: £1,440
- C: Net Cost: £5,760, VAT Recoverable: £1,440
- D: Net Cost: £6,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 9 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Vanguard Retail Ltd 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 10 — [Financial Accounting / Asset Valuation and Depreciation]

Solar Energy plc completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £24,000, and 2) Had the exterior of the existing office block repainted for £2,400. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£24,000), Repainting: Revenue Expenditure (£2,400)
- C: Warehouse system: Revenue Expenditure (£24,000), Repainting: Capital Expenditure (£2,400)
- D: Both projects are Revenue Expenditure.

Question 11 — [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 £14,000 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 12 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Omega Foodstuffs 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 13 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Falcon Engineering Ltd paid rent of £16,200. At the year-end, the company had an outstanding electricity invoice of £1,350 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £1,350, Credit Electricity Expense £1,350
- B: Debit Electricity Expense £1,350, Credit Accruals (Liabilities) £1,350
- C: Debit Cash £1,350, Credit Electricity Expense £1,350
- D: Debit Electricity Expense £1,350, Credit Prepayments (Assets) £1,350

Question 14 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Solar Energy plc was £120,000. An error was discovered: Closing inventory was overstated by £14,000. What is the revised profit after correcting this error?

- A: £134,000
- B: £106,000
- C: £120,000 (no effect on profit)
- D: £92,000

Question 15 — [Financial Accounting / VAT Computations]

For the last quarter, Solar Energy plc had net credit sales of £8,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £4,800. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £800 Payable
- B: £800 Reclaimable
- C: £1,600 Payable
- D: £640 Payable

Question 16 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Falcon Engineering Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £15,000 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 17 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Vanguard Retail 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 18 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Alpha Properties Ltd was £120,000. An error was discovered: Closing inventory was overstated by £1,800. What is the revised profit after correcting this error?

- A: £121,800
- B: £118,200
- C: £120,000 (no effect on profit)
- D: £116,400

Question 19 — [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 £250,000, and 2) Had the exterior of the existing office block repainted for £25,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£250,000), Repainting: Revenue Expenditure (£25,000)
- C: Warehouse system: Revenue Expenditure (£250,000), Repainting: Capital Expenditure (£25,000)
- D: Both projects are Revenue Expenditure.

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

The Receivables Ledger Control Account of Titan Steel plc is shown in the diagram. Credit sales of £9,600 were recorded, and cash of £7,680 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £6,720 Debit closing balance
- B: £6,720 Credit closing balance
- C: £14,400 Debit closing balance
- D: £7,680 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;=223>

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.