



Applaa ACCA Practice Mock 23

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;=23> 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]

A retail store, Crest Hotels Ltd, purchased inventories for a gross total of £5,400 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: £4,500, VAT Recoverable: £900
- B: Net Cost: £5,400, VAT Recoverable: £1,080
- C: Net Cost: £4,320, VAT Recoverable: £1,080
- D: Net Cost: £4,500, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 2 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Apex Trading Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £1,500. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £750 was completely omitted from the books.
- B: A cash payment of £750 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £750 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £750 was debited to the Purchase Returns account and credited to Receivables Control.

Question 3 — [Financial Accounting / VAT Computations]

For the last quarter, Aura Goods 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 4 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Zephyr Services LLP was £120,000. An error was discovered: Closing inventory was overstated by £15,000. What is the revised profit after correcting this error?

- A: £135,000
- B: £105,000
- C: £120,000 (no effect on profit)
- D: £90,000

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

At 31 March, the bank statement of Atlas Transport Ltd shows a credit balance of £50,000. Unpresented checks total £12,500, and outstanding uncleared lodgements total £6,250. What is the reconciled balance that should appear in Atlas Transport Ltd's cash book?

- A: £43,750
- B: £56,250
- C: £68,750
- D: £31,250

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

A company purchased a manufacturing plant for £12,000 on 1 January Year 1. The company uses the reducing balance method of depreciation at 20% per annum. What is the depreciation charge for Year 2, and what is the carrying value at 31 December Year 2?

- A: Depreciation: £2,400, Carrying Value: £9,600
- B: Depreciation: £1,920, Carrying Value: £7,680
- C: Depreciation: £1,920, Carrying Value: £10,080
- D: Depreciation: £2,400, Carrying Value: £7,200

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

Beacon Logistics LLP 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 / VAT Computations]

Meridian Distributors Ltd purchased a motor car for £48,000 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 9 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Summit Manufacturing Ltd is shown in the diagram. Credit sales of £22,000 were recorded, and cash of £17,600 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £15,400 Debit closing balance
- B: £15,400 Credit closing balance
- C: £33,000 Debit closing balance
- D: £17,600 Credit closing balance

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

For the year ended 31 December, Pinnacle Consulting 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 11 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Aura Goods Ltd paid rent of £7,200. At the year-end, the company had an outstanding electricity invoice of £600 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £600, Credit Electricity Expense £600
- B: Debit Electricity Expense £600, Credit Accruals (Liabilities) £600
- C: Debit Cash £600, Credit Electricity Expense £600
- D: Debit Electricity Expense £600, Credit Prepayments (Assets) £600

Question 12 — [Financial Accounting / Trial Balance Reconciliation]

A suspense account was opened with a debit balance of £22,000. It was discovered that a cash receipt of £22,000 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 £44,000, Credit Suspense Account £44,000
- B: Debit Receivables Control £22,000, Credit Suspense £22,000
- C: Debit Suspense £44,000, Credit Cash £44,000
- D: Debit Cash £22,000, Credit Receivables Control £22,000

Question 13 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Summit Manufacturing 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 14 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Vanguard Retail Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £360. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £180 was completely omitted from the books.
- B: A cash payment of £180 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £180 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £180 was debited to the Purchase Returns account and credited to Receivables Control.

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

For the year ended 31 December, Titan Steel plc paid rent of £25,200. At the year-end, the company had an outstanding electricity invoice of £2,100 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £2,100, Credit Electricity Expense £2,100
- B: Debit Electricity Expense £2,100, Credit Accruals (Liabilities) £2,100
- C: Debit Cash £2,100, Credit Electricity Expense £2,100
- D: Debit Electricity Expense £2,100, Credit Prepayments (Assets) £2,100

Question 16 — [Financial Accounting / VAT Computations]

A retail store, Omega Foodstuffs plc, 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 Omega Foodstuffs plc?

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

At 31 March, the bank statement of Pinnacle Consulting Ltd shows a credit balance of £24,000. Unpresented checks total £6,000, and outstanding uncleared lodgements total £3,000. What is the reconciled balance that should appear in Pinnacle Consulting Ltd's cash book?

- A: £21,000
- B: £27,000
- C: £33,000
- D: £15,000

Question 18 — [Financial Accounting / VAT Computations]

Apex Trading 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 19 — [Financial Accounting / VAT Computations]

A grocery distributor, Nova Tech Solutions Ltd, recorded net sales of £33,600 for standard-rate products (20% VAT) and £16,800 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £6,720
- B: £10,080
- C: £3,360
- D: £0 (all food products are exempt from output VAT)

Question 20 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Alpha Properties Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £120. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £60 was completely omitted from the books.
- B: A cash payment of £60 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £60 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £60 was debited to the Purchase Returns account and credited to Receivables Control.

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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.