



Applaa ACCA Practice Mock 238

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;=238> 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, Titan Steel plc 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 2 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Summit Manufacturing Ltd is shown in the diagram. Credit sales of £4,800 were recorded, and cash of £3,840 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £3,360 Debit closing balance
- B: £3,360 Credit closing balance
- C: £7,200 Debit closing balance
- D: £3,840 Credit closing balance

Question 3 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Summit Manufacturing 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 Summit Manufacturing Ltd's cash book?

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

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

For the year ended 31 December, Meridian Distributors Ltd paid rent of £21,600. At the year-end, the company had an outstanding electricity invoice of £1,800 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £1,800, Credit Electricity Expense £1,800
- B: Debit Electricity Expense £1,800, Credit Accruals (Liabilities) £1,800
- C: Debit Cash £1,800, Credit Electricity Expense £1,800
- D: Debit Electricity Expense £1,800, Credit Prepayments (Assets) £1,800

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

The sole trader of Titan Steel plc took goods costing £3,000 from the business for personal use. These goods had a selling price of £4,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £3,000, Credit Purchases £3,000
- B: Debit Drawings £4,500, Credit Revenue £4,500
- C: Debit Purchases £3,000, Credit Drawings £3,000
- D: Debit Inventory £3,000, Credit Drawings £3,000

Question 6 — [Financial Accounting / VAT Computations]

For the last quarter, Meridian Distributors Ltd had net credit sales of £36,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £21,600. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £3,600 Payable
- B: £3,600 Reclaimable
- C: £7,200 Payable
- D: £2,880 Payable

Question 7 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Aura Goods Ltd was £120,000. An error was discovered: Closing inventory was overstated by £5,400. What is the revised profit after correcting this error?

- A: £125,400
- B: £114,600
- C: £120,000 (no effect on profit)
- D: £109,200

Question 8 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Titan Steel plc 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 9 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Vanguard Retail 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

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 £72,000, and 2) Had the exterior of the existing office block repainted for £7,200. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£72,000), Repainting: Revenue Expenditure (£7,200)
- C: Warehouse system: Revenue Expenditure (£72,000), Repainting: Capital Expenditure (£7,200)
- D: Both projects are Revenue Expenditure.

Question 11 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Swift Logistics Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £6,000 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 / Asset Valuation and Depreciation]

Aura Goods Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £18,000, and 2) Had the exterior of the existing office block repainted for £1,800. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£18,000), Repainting: Revenue Expenditure (£1,800)
- C: Warehouse system: Revenue Expenditure (£18,000), Repainting: Capital Expenditure (£1,800)
- D: Both projects are Revenue Expenditure.

Question 13 — [Financial Accounting / VAT Computations]

For the last quarter, Omega Foodstuffs 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 / Trial Balance Reconciliation]

The trial balance of Summit Manufacturing Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £8,400 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 15 — [Financial Accounting / VAT Computations]

A grocery distributor, Genesis Enterprises 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 16 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Genesis Enterprises Ltd 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 17 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Swift Logistics 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 18 — [Financial Accounting / VAT Computations]

For the last quarter, Pinnacle Consulting Ltd had net credit sales of £48,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £28,800. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £4,800 Payable
- B: £4,800 Reclaimable
- C: £9,600 Payable
- D: £3,840 Payable

Question 19 — [Financial Accounting / VAT Computations]

For the last quarter, Falcon Engineering Ltd had net credit sales of £180,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £108,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £18,000 Payable
- B: £18,000 Reclaimable
- C: £36,000 Payable
- D: £14,400 Payable

Question 20 — [Financial Accounting / VAT Computations]

A grocery distributor, Atlas Transport Ltd, recorded net sales of £76,800 for standard-rate products (20% VAT) and £38,400 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £15,360
- B: £23,040
- C: £7,680
- D: £0 (all food products are exempt from output VAT)

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;=238>

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.