



Applaa ACCA Practice Mock 245

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;=245> 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 / Double-Entry Bookkeeping]

At 31 March, the bank statement of Apex Trading Ltd shows a credit balance of £3,200. Unpresented checks total £800, and outstanding uncleared lodgements total £400. What is the reconciled balance that should appear in Apex Trading Ltd's cash book?

- A: £2,800
- B: £3,600
- C: £4,400
- D: £2,000

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

At 31 March, the bank statement of Apex Trading 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 Apex Trading Ltd's cash book?

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

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

At 31 March, the bank statement of Summit Manufacturing Ltd shows a credit balance of £28,800. Unpresented checks total £7,200, and outstanding uncleared lodgements total £3,600. What is the reconciled balance that should appear in Summit Manufacturing Ltd's cash book?

- A: £25,200
- B: £32,400
- C: £39,600
- D: £18,000

Question 4 — [Financial Accounting / VAT Computations]

A grocery distributor, Crest Hotels Ltd, recorded net sales of £67,200 for standard-rate products (20% VAT) and £33,600 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £13,440
- B: £20,160
- C: £6,720
- D: £0 (all food products are exempt from output VAT)

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

The sole trader of Apex Trading Ltd took goods costing £6,250 from the business for personal use. These goods had a selling price of £9,375. What is the correct double entry to record this transaction?

- A: Debit Drawings £6,250, Credit Purchases £6,250
- B: Debit Drawings £9,375, Credit Revenue £9,375
- C: Debit Purchases £6,250, Credit Drawings £6,250
- D: Debit Inventory £6,250, Credit Drawings £6,250

Question 6 — [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 £36,000, and 2) Had the exterior of the existing office block repainted for £3,600. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£36,000), Repainting: Revenue Expenditure (£3,600)
- C: Warehouse system: Revenue Expenditure (£36,000), Repainting: Capital Expenditure (£3,600)
- D: Both projects are Revenue Expenditure.

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

Beacon Logistics LLP 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 8 — [Financial Accounting / VAT Computations]

For the last quarter, Beacon Logistics LLP had net credit sales of £18,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £10,800. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £1,800 Payable
- B: £1,800 Reclaimable
- C: £3,600 Payable
- D: £1,440 Payable

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 £18,000 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 10 — [Financial Accounting / VAT Computations]

For the last quarter, Nova Tech Solutions 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 11 — [Financial Accounting / Asset Valuation and Depreciation]

Meridian Distributors Ltd disposed of a delivery vehicle for £20,160. The vehicle had originally cost £33,600 and had accumulated depreciation of £16,800 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 £3,360
- B: Loss on disposal of £3,360
- C: Gain on disposal of £-13,440
- D: Loss on disposal of £16,800

Question 12 — [Financial Accounting / Asset Valuation and Depreciation]

Omega Foodstuffs plc disposed of a delivery vehicle for £25,920. The vehicle had originally cost £43,200 and had accumulated depreciation of £21,600 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 £4,320
- B: Loss on disposal of £4,320
- C: Gain on disposal of £-17,280
- D: Loss on disposal of £21,600

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

The Receivables Ledger Control Account of Nova Tech Solutions Ltd is shown in the diagram. Credit sales of £7,200 were recorded, and cash of £5,760 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £5,040 Debit closing balance
- B: £5,040 Credit closing balance
- C: £10,800 Debit closing balance
- D: £5,760 Credit closing balance

Question 14 — [Financial Accounting / VAT Computations]

A retail store, Nexus Media plc, purchased inventories for a gross total of £6,000 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: £5,000, VAT Recoverable: £1,000
- B: Net Cost: £6,000, VAT Recoverable: £1,200
- C: Net Cost: £4,800, VAT Recoverable: £1,200
- D: Net Cost: £5,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 15 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Beacon Logistics LLP prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £150. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £75 was completely omitted from the books.
- B: A cash payment of £75 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £75 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £75 was debited to the Purchase Returns account and credited to Receivables Control.

Question 16 — [Financial Accounting / Asset Valuation and Depreciation]

Meridian Distributors Ltd disposed of a delivery vehicle for £34,560. The vehicle had originally cost £57,600 and had accumulated depreciation of £28,800 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 £5,760
- B: Loss on disposal of £5,760
- C: Gain on disposal of £-23,040
- D: Loss on disposal of £28,800

Question 17 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Pinnacle Consulting Ltd was £120,000. An error was discovered: Closing inventory was overstated by £12,500. What is the revised profit after correcting this error?

- A: £132,500
- B: £107,500
- C: £120,000 (no effect on profit)
- D: £95,000

Question 18 — [Financial Accounting / VAT Computations]

Omega Foodstuffs plc purchased a motor car for £220,000 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 / Trial Balance Reconciliation]

The trial balance of Atlas Transport Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £18,000 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 20 — [Financial Accounting / Asset Valuation and Depreciation]

Genesis Enterprises Ltd disposed of a delivery vehicle for £52,800. The vehicle had originally cost £88,000 and had accumulated depreciation of £44,000 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 £8,800
- B: Loss on disposal of £8,800
- C: Gain on disposal of £-35,200
- D: Loss on disposal of £44,000

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■ Section Complete!

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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.