



# Applaa ACCA Practice Mock 246

Mock Practice Exam Booklet

## Applaa: Socratic Practice Engine

Submit and grade your answers online for instant worked solutions:

<https://applaa.com/practice/check?exam=acca&paper=246>

# 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;=246> 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.

## ■ SUPERCHARGE YOUR STUDIES WITH APPLAA DESKTOP APP

Tired of printing PDFs and manual grading? Download the **Applaa Desktop Application**. It includes interactive exam mocks, real-time pacing stats, auto-grading, and personalized Socratic AI support. Get a **14-day free trial** of our premium preparation package to track your progress rate.

**Download:** <https://applaa.com/download>

# Section 1: Practice Questions

## Question 1 — [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 £3,600 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 2 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Solar Energy plc paid rent of £54,000. At the year-end, the company had an outstanding electricity invoice of £4,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £4,500, Credit Electricity Expense £4,500
- B: Debit Electricity Expense £4,500, Credit Accruals (Liabilities) £4,500
- C: Debit Cash £4,500, Credit Electricity Expense £4,500
- D: Debit Electricity Expense £4,500, Credit Prepayments (Assets) £4,500

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

For the year ended 31 December, Aura Goods Ltd paid rent of £14,400. At the year-end, the company had an outstanding electricity invoice of £1,200 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £1,200, Credit Electricity Expense £1,200
- B: Debit Electricity Expense £1,200, Credit Accruals (Liabilities) £1,200
- C: Debit Cash £1,200, Credit Electricity Expense £1,200
- D: Debit Electricity Expense £1,200, Credit Prepayments (Assets) £1,200

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

At 31 March, the bank statement of Omega Foodstuffs plc shows a credit balance of £16,800. Unpresented checks total £4,200, and outstanding uncleared lodgements total £2,100. What is the reconciled balance that should appear in Omega Foodstuffs plc's cash book?

- A: £14,700
- B: £18,900
- C: £23,100
- D: £10,500

**Question 5 — [Financial Accounting / VAT Computations]**

For the last quarter, Solar Energy plc had net credit sales of £42,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £25,200. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £4,200 Payable
- B: £4,200 Reclaimable
- C: £8,400 Payable
- D: £3,360 Payable

**Question 6 — [Financial Accounting / VAT Computations]**

For the last quarter, Apex Trading Ltd 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 7 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Solar Energy plc shows a credit balance of £14,400. Unpresented checks total £3,600, and outstanding uncleared lodgements total £1,800. What is the reconciled balance that should appear in Solar Energy plc's cash book?

- A: £12,600
- B: £16,200
- C: £19,800
- D: £9,000

**Question 8 — [Financial Accounting / Asset Valuation and Depreciation]**

Alpha Properties Ltd disposed of a delivery vehicle for £120,000. The vehicle had originally cost £200,000 and had accumulated depreciation of £100,000 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 £20,000
- B: Loss on disposal of £20,000
- C: Gain on disposal of £-80,000
- D: Loss on disposal of £100,000

**Question 9 — [Financial Accounting / VAT Computations]**

A retail store, Beacon Logistics LLP, purchased inventories for a gross total of £18,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Beacon Logistics LLP?

- A: Net Cost: £15,000, VAT Recoverable: £3,000
- B: Net Cost: £18,000, VAT Recoverable: £3,600
- C: Net Cost: £14,400, VAT Recoverable: £3,600
- D: Net Cost: £15,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

The sole trader of Apex Trading Ltd took goods costing £8,250 from the business for personal use. These goods had a selling price of £12,375. What is the correct double entry to record this transaction?

- A: Debit Drawings £8,250, Credit Purchases £8,250
- B: Debit Drawings £12,375, Credit Revenue £12,375
- C: Debit Purchases £8,250, Credit Drawings £8,250
- D: Debit Inventory £8,250, Credit Drawings £8,250

**Question 11 — [Financial Accounting / Asset Valuation and Depreciation]**

Omega Foodstuffs plc disposed of a delivery vehicle for £3,840. The vehicle had originally cost £6,400 and had accumulated depreciation of £3,200 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 £640
- B: Loss on disposal of £640
- C: Gain on disposal of £-2,560
- D: Loss on disposal of £3,200

**Question 12 — [Financial Accounting / VAT Computations]**

A grocery distributor, Crest Hotels 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]**

For the last quarter, Aura Goods 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 14 — [Financial Accounting / VAT Computations]**

A retail store, Vanguard Retail Ltd, 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 Vanguard Retail Ltd?

- 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 / VAT Computations]**

Falcon Engineering 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 16 — [Financial Accounting / Double-Entry Bookkeeping]**

For the year ended 31 December, Vanguard Retail Ltd paid rent of £28,800. At the year-end, the company had an outstanding electricity invoice of £2,400 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £2,400, Credit Electricity Expense £2,400
- B: Debit Electricity Expense £2,400, Credit Accruals (Liabilities) £2,400
- C: Debit Cash £2,400, Credit Electricity Expense £2,400
- D: Debit Electricity Expense £2,400, Credit Prepayments (Assets) £2,400

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

At 31 March, the bank statement of Falcon Engineering Ltd shows a credit balance of £100,000. Unpresented checks total £25,000, and outstanding uncleared lodgements total £12,500. What is the reconciled balance that should appear in Falcon Engineering Ltd's cash book?

- A: £87,500
- B: £112,500
- C: £137,500
- D: £62,500

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

For the year ended 31 December, Vanguard Retail 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 19 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Meridian Distributors Ltd shows a credit balance of £9,600. Unpresented checks total £2,400, and outstanding uncleared lodgements total £1,200. What is the reconciled balance that should appear in Meridian Distributors Ltd's cash book?

- A: £8,400
- B: £10,800
- C: £13,200
- D: £6,000

**Question 20 — [Financial Accounting / VAT Computations]**

A grocery distributor, Titan Steel plc, recorded net sales of £9,600 for standard-rate products (20% VAT) and £4,800 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £1,920
- B: £2,880
- C: £960
- 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;=246>

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.