



# Applaa ACCA Practice Mock 3

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=3>

# 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;=3> 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 — [K1 Financial Accounting / ACCA Syllabus Topic]

© ACCA 2027 -2028 All rights reserved. Question 6 Abstract Co's general ledger accounts are to be finalised at the period end. Which TWO of the following statements illustrate how to finalise Abstract Co's general ledger accounts at the period end?

- A: Operating profit margin
- B: Return on capital employed
- C: Current ratio
- D: Interest cover FINAL - March 2026 Financial Accounting (K1)

## Question 2 — [K1 Financial Accounting / ACCA Syllabus Topic]

© ACCA 2027 -2028 All rights reserved. Question 10 Zinc Co depreciates its non-current assets monthly, using the straight-line method. Its non-current assets have a 20-year useful life and their carrying amount at 1 January 20X3 was \$35m (cost of \$50m and accumulated depreciation of \$15m). All non-current assets are in use and none are fully depreciated. There were no disposals during the year ended 31 December 20X3. A new non-current asset was purchased for \$5m on 1 July 20X3. What is the depreciation charge for the year ended 31 December 20X3?

- A: A decrease in the allowance for irrecoverable debts
- B: An increase in the allowance for irrecoverable debts
- C: The subsequent receipt of cash on a debt previously written off
- D: The write off of an irrecoverable debt FINAL - March 2026 Financial Accounting (K1)

## Question 3 — [K1 Financial Accounting / ACCA Syllabus Topic]

© ACCA 2027 -2028 All rights reserved. Question 13 Walnut Co recorded a cash payment to a credit supplier by crediting cash and cash equivalents by the correct amount of \$3,600 but by debiting trade payables by the incorrect amount of \$6,300. A suspense account was automatically created. Which of the following is the correcting journal entry required to eliminate the suspense account from the trial balance?

- A: Dr Bank \$300,000 Cr Share capital \$100,000 Cr Share premium \$200,000
- B: Dr Bank \$300,000 Cr Share capital \$200,000 Cr Share premium \$100,000
- C: Dr Retained earnings \$300,000 Cr Share capital \$300,000
- D: Dr Bank \$200,000 Dr Share premium \$100,000 Cr Share capital \$300,000 FINAL - March 2026 Financial Accounting (K1)

**Question 4 — [K1 Financial Accounting / ACCA Syllabus Topic]**

© ACCA 2027 -2028 All rights reserved. Question 15 Which of the following parties is ultimately responsible for the preparation of a reporting entity's financial statements?

**A:** 1 and 2 only

**B:** 1 only

**C:** 2 and 3 only

**D:** 1,2 and 3 Question 17 The International Accounting Standards Board's Conceptual Framework for Financial Reporting (Conceptual Framework) includes both fundamental and enhancing qualitative characteristics of useful financial information. Select whether each of the following are fundamental or enhancing qualitative characteristics of useful financial information, in accordance with the Conceptual Framework. Fundamental Enhancing

**Question 5 — [K1 Financial Accounting / ACCA Syllabus Topic]**

© ACCA 2027 -2028 All rights reserved. Question 18 Notus Co's bank reconciliation statement as at 31 January 20X8 has been drafted but not finalised. The following information is available: (1) The bank statement shows a debit balance of \$30m at 31 January 20X8 (2) \$20m of deposits on 28 January 20X8 have not yet cleared the bank (3) Interest expenses of \$2m were omitted from the general ledger (4) The bank deducted a \$3m payment in error and has not yet corrected for this What is the reconciled bank balance to be presented on Notus Co's statement of financial position as at 31 January 20X8?

**A:** 1 only

**B:** 2 only

**C:** Both 1 and 2

**D:** Neither 1 nor 2 FINAL - March 2026 Financial Accounting (K1)

**Question 6 — [K1 Financial Accounting / ACCA Syllabus Topic]**

© ACCA 2027 -2028 All rights reserved. Question 23 Apricot Co has incomplete records regarding inventories, measured using weighted average cost, at 31 January 20X3. The following information is available: (1) Inventories at 1 February 20X2 had a carrying amount of \$2m (2) Purchases of inventories for the year ended 31 January 20X3 were \$7m (3) Sales of inventories for the year ended 31 January 20X3 were \$4m (4) The average gross profit margin for the year ended 31 January 20X3 was 25% Calculate the carrying amount of Apricot Co's inventories at 31 January 20X3 (to the nearest \$m). \$ m Question 24 Spruce Co made a cash purchase of furniture and fittings from Argon Co for \$50,000. Which of the following is the journal entry that Spruce Co must process to recognise this cash transaction?

**A:** An issue of bonus shares

**B:** An issue of loan notes

**C:** Cash repayment of borrowings

**D:** Cash settlement of trade payables FINAL - March 2026 Financial Accounting (K1)

**Question 7 — [K1 Financial Accounting / ACCA Syllabus Topic]**

© ACCA 2027 -2028 All rights reserved. Question 26 Aloe Co is conducting an internal review of its non-current asset register and some capitalised costs have been queried by management. Which TWO of the following are costs which are required to be capitalised as part of a non-current asset's carrying amount?

- A: Advertising costs for the opening of a new facility
  - B: Installation of a new boiler in an entity's head office property
  - C: Annual service of motor vehicles fleet
  - D: Safety guards on machinery
- Question 27 Drum Co issued an invoice for a total price of \$8m on 1 December 20X1, covering services it will provide for the four months ended 31 March 20X2. Which of the following is the appropriate journal entry to record the necessary adjustment to Drum Co's financial statements for the year ended 31 December

**Question 8 — [K1 Financial Accounting / ACCA Syllabus Topic]**

© ACCA 2027 -2028 All rights reserved. Question 28 Pixie Co has sent statements to each of its customers to confirm their balances at 31 August 20X5. Which of the following statements will NOT create a difference between the trade receivables general ledger account and the customer's own financial records?

- A: Dr Trade receivables \$1,200,000 Cr Revenue \$1,000,000 Cr Sales tax account \$200,000
  - B: Dr Trade receivables \$1,440,000 Cr Revenue \$1,200,000 Cr Sales tax account \$240,000
  - C: Dr Purchases \$1,000,000 Dr Sales tax account \$200,000 Cr Trade payables \$1,200,000
  - D: Dr Purchases \$1,200,000 Dr Sales tax account \$240,000 Cr Trade payables \$1,440,000
- FINAL - March 2026  
Financial Accounting (K1)

**Question 9 — [K1 Financial Accounting / ACCA Syllabus Topic]**

© ACCA 2027 -2028 All rights reserved. Question 32 Haizea and Carson are in a partnership and the profit for the year ended 31 August 20X4 was \$65,000. The partnership agreement states that: (1) Profits are shared in the ratio of 3:2 in Haizea's favour (2) Interest on drawings is charged at 10% (3) A salary of \$20,000 is paid to each partner The partners each took drawings of \$1,000 per month. Calculate Haizea's total share of residual profit for the year ended 31 August 20X4, to be added to her current account. \$ Question 33 Frame Co has a year-end date of 31 July 20X7. The financial statements have not yet been authorised for issue. The following events were identified: (1) Frame Co acquired Candle Co on 14 September 20X7. Negotiations around this acquisition started on 1 June 20X7. (2) Severe flooding on 22 August 20X7 destroyed inventories which have been held in Frame Co's warehouse since the period end. (3) On 18 August 20X7, there was an incident at one of Frame Co's facilities and an employee began legal action immediately following this. Which of the above events are ADJUSTING events after the reporting period, in accordance with IAS 10 Events after the Reporting Period?

- A: 1 and 2 only
  - B: 1 and 3 only
  - C: 1, 2 and 3
  - D: None of the above
- FINAL - March 2026  
Financial Accounting (K1)

**Question 10 — [K1 Financial Accounting / ACCA Syllabus Topic]**

© ACCA 2027 -2028 All rights reserved. Question 34 Vista Co purchases finished goods from a wholesaler and sells them through its retail stores. It started trading on 1 April 20X8 and had the following inventories movements: Purchase/Sale Month Units Purchase cost Sales price '000 \$ per unit \$ per unit Purchase 11 April 20X8 120 1.80 Sale 30 August 20X8 80 5.00 Purchase 9 December 20X8 100 2.10 Sale 24 March 20X9 130 5.50 Vista Co measures the cost of inventories using the first-in, first-out (FIFO) method. Calculate the carrying amount of inventories as at 31 March 20X9 (to the nearest \$'000). \$ ,000 Question 35 The directors of Brook Co are considering the differences in accounting treatment between provisions, contingent liabilities and contingent assets. Which TWO of the following statements in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets are TRUE?

- A: An entity shall not recognise a contingent asset
  - B: An entity shall not recognise a contingent liability
  - C: A provision is a liability of certain timing and amount
  - D: Provisions shall be recognised for future operating losses
- FINAL - March 2026 Financial Accounting (K1)

**Question 11 — [K1 Financial Accounting / ACCA Syllabus Topic]**

X9. Calculate the prepayment to be recorded on Opal Co's statement of financial position as at 30 September 20X8 (to the nearest \$'000). \$ ,000 Question 4 Which TWO of the following business documents would an entity produce as part of the sales process?

- A: The manual journal entry for depreciation charges was debited correctly to operating expenses but no credit entry was made
  - B: A supplier invoice received was incorrectly entered into the purchases system as \$800 instead of \$300
  - C: A cash receipt from a customer was recognised by debiting cash by \$10,000 but crediting trade receivables by \$1,000
  - D: No invoice was issued on the sales system for goods delivered to the customer on the year-end date
- FINAL - March 2026 Financial Accounting (K1)

**Question 12 — [K1 Financial Accounting / Double-Entry Bookkeeping]**

A business sells goods on credit for £2,400 (excluding VAT). VAT is charged at 20%. Which of the following ledger entries correctly records this transaction?

- A: Debit Receivables Control £2,880, Credit Sales £2,400, Credit VAT Control £480
- B: Debit Sales £2,400, Debit VAT Control £480, Credit Receivables Control £2,880
- C: Debit Receivables Control £2,400, Credit Sales £2,400
- D: Debit Receivables Control £2,880, Credit Sales £2,880

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

The Receivables Ledger Control Account of Crest Hotels 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 14 — [Financial Accounting / Asset Valuation and Depreciation]**

An entity purchased a machine on 1 January Year 1 for £6,000. The residual value of the machine is estimated to be £600 with an estimated useful life of 6 years. The entity uses the straight-line method of depreciation. What is the carrying value (net book value) of the machine on 31 December Year 2?

- A: £5,100
- B: £4,200
- C: £3,600
- D: £4,500

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

The Receivables Ledger Control Account of Alpha Properties Ltd is shown in the diagram. Credit sales of £18,000 were recorded, and cash of £14,400 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £12,600 Debit closing balance
- B: £12,600 Credit closing balance
- C: £27,000 Debit closing balance
- D: £14,400 Credit closing balance

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

An entity purchased a machine on 1 January Year 1 for £4,000. The residual value of the machine is estimated to be £400 with an estimated useful life of 10 years. The entity uses the straight-line method of depreciation. What is the carrying value (net book value) of the machine on 31 December Year 2?

- A: £3,640
- B: £3,280
- C: £2,880
- D: £3,240

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

The sole trader of Beacon Logistics LLP took goods costing £600 from the business for personal use. These goods had a selling price of £900. What is the correct double entry to record this transaction?

- A: Debit Drawings £600, Credit Purchases £600
- B: Debit Drawings £900, Credit Revenue £900
- C: Debit Purchases £600, Credit Drawings £600
- D: Debit Inventory £600, Credit Drawings £600

**Question 18 — [Financial Accounting / Trial Balance Reconciliation]**

Before correcting the year-end errors, the draft profit of Apex Trading Ltd was £120,000. An error was discovered: Closing inventory was overstated by £4,200. What is the revised profit after correcting this error?

- A: £124,200
- B: £115,800
- C: £120,000 (no effect on profit)
- D: £111,600

**Question 19 — [Financial Accounting / VAT Computations]**

For the last quarter, Falcon Engineering 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 20 — [Financial Accounting / VAT Computations]**

For the last quarter, Summit Manufacturing 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

# 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=3>

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.