



Applaa ACCA Practice Mock 31

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;=31> 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 / Asset Valuation and Depreciation]

Falcon Engineering Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £12,000, and 2) Had the exterior of the existing office block repainted for £1,200. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£12,000), Repainting: Revenue Expenditure (£1,200)
- C: Warehouse system: Revenue Expenditure (£12,000), Repainting: Capital Expenditure (£1,200)
- D: Both projects are Revenue Expenditure.

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

For the year ended 31 December, Meridian Distributors Ltd paid rent of £33,000. At the year-end, the company had an outstanding electricity invoice of £2,750 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £2,750, Credit Electricity Expense £2,750
- B: Debit Electricity Expense £2,750, Credit Accruals (Liabilities) £2,750
- C: Debit Cash £2,750, Credit Electricity Expense £2,750
- D: Debit Electricity Expense £2,750, Credit Prepayments (Assets) £2,750

Question 3 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Meridian Distributors Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £240. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £120 was completely omitted from the books.
- B: A cash payment of £120 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £120 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £120 was debited to the Purchase Returns account and credited to Receivables Control.

Question 4 — [Financial Accounting / Asset Valuation and Depreciation]

Summit Manufacturing Ltd disposed of a delivery vehicle for £72,000. The vehicle had originally cost £120,000 and had accumulated depreciation of £60,000 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 £12,000
- B: Loss on disposal of £12,000
- C: Gain on disposal of £-48,000
- D: Loss on disposal of £60,000

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

The sole trader of Solar Energy plc took goods costing £900 from the business for personal use. These goods had a selling price of £1,350. What is the correct double entry to record this transaction?

- A: Debit Drawings £900, Credit Purchases £900
- B: Debit Drawings £1,350, Credit Revenue £1,350
- C: Debit Purchases £900, Credit Drawings £900
- D: Debit Inventory £900, Credit Drawings £900

Question 6 — [Financial Accounting / VAT Computations]

A grocery distributor, Swift Logistics Ltd, recorded net sales of £43,200 for standard-rate products (20% VAT) and £21,600 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £8,640
- B: £12,960
- C: £4,320
- D: £0 (all food products are exempt from output VAT)

Question 7 — [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 £420. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £210 was completely omitted from the books.
- B: A cash payment of £210 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £210 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £210 was debited to the Purchase Returns account and credited to Receivables Control.

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

An entity purchased a machine on 1 January Year 1 for £30,000. The residual value of the machine is estimated to be £3,000 with an estimated useful life of 12 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: £27,750
- B: £25,500
- C: £22,500
- D: £24,750

Question 9 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Crest Hotels Ltd paid rent of £42,000. At the year-end, the company had an outstanding electricity invoice of £3,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £3,500, Credit Electricity Expense £3,500
- B: Debit Electricity Expense £3,500, Credit Accruals (Liabilities) £3,500
- C: Debit Cash £3,500, Credit Electricity Expense £3,500
- D: Debit Electricity Expense £3,500, Credit Prepayments (Assets) £3,500

Question 10 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Omega Foodstuffs plc 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.

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

An entity purchased a machine on 1 January Year 1 for £82,500. The residual value of the machine is estimated to be £8,250 with an estimated useful life of 3 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: £57,750
- B: £33,000
- C: £24,750
- D: £49,500

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

For the year ended 31 December, Summit Manufacturing Ltd paid rent of £42,000. At the year-end, the company had an outstanding electricity invoice of £3,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £3,500, Credit Electricity Expense £3,500
- B: Debit Electricity Expense £3,500, Credit Accruals (Liabilities) £3,500
- C: Debit Cash £3,500, Credit Electricity Expense £3,500
- D: Debit Electricity Expense £3,500, Credit Prepayments (Assets) £3,500

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

For the year ended 31 December, Alpha Properties Ltd paid rent of £5,400. At the year-end, the company had an outstanding electricity invoice of £450 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £450, Credit Electricity Expense £450
- B: Debit Electricity Expense £450, Credit Accruals (Liabilities) £450
- C: Debit Cash £450, Credit Electricity Expense £450
- D: Debit Electricity Expense £450, Credit Prepayments (Assets) £450

Question 14 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Falcon Engineering 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 15 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Swift Logistics Ltd shows a credit balance of £88,000. Unpresented checks total £22,000, and outstanding uncleared lodgements total £11,000. What is the reconciled balance that should appear in Swift Logistics Ltd's cash book?

- A: £77,000
- B: £99,000
- C: £121,000
- D: £55,000

Question 16 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Omega Foodstuffs plc shows a credit balance of £66,000. Unpresented checks total £16,500, and outstanding uncleared lodgements total £8,250. What is the reconciled balance that should appear in Omega Foodstuffs plc's cash book?

- A: £57,750
- B: £74,250
- C: £90,750
- D: £41,250

Question 17 — [Financial Accounting / VAT Computations]

For the last quarter, Crest Hotels Ltd had net credit sales of £110,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £66,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £11,000 Payable
- B: £11,000 Reclaimable
- C: £22,000 Payable
- D: £8,800 Payable

Question 18 — [Financial Accounting / VAT Computations]

A retail store, Swift Logistics Ltd, 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 Swift Logistics Ltd?

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

The sole trader of Summit Manufacturing Ltd took goods costing £9,000 from the business for personal use. These goods had a selling price of £13,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £9,000, Credit Purchases £9,000
- B: Debit Drawings £13,500, Credit Revenue £13,500
- C: Debit Purchases £9,000, Credit Drawings £9,000
- D: Debit Inventory £9,000, Credit Drawings £9,000

Question 20 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Nova Tech Solutions Ltd was £120,000. An error was discovered: Closing inventory was overstated by £14,000. What is the revised profit after correcting this error?

- A: £134,000
- B: £106,000
- C: £120,000 (no effect on profit)
- D: £92,000

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■ Go to: <https://applaa.com/practice/check?exam=acca&paper;=31>

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.