



Applaa ACCA Practice Mock 4

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;=4> 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]

A retail store, Crown Paper Ltd, purchased inventories for a gross total of £15,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Crown Paper Ltd?

- A: Net Cost: £12,500, VAT Recoverable: £2,500
- B: Net Cost: £15,000, VAT Recoverable: £3,000
- C: Net Cost: £12,000, VAT Recoverable: £3,000
- D: Net Cost: £12,500, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

For the year ended 31 December, Pinnacle Consulting Ltd paid rent of £45,000. At the year-end, the company had an outstanding electricity invoice of £3,750 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £3,750, Credit Electricity Expense £3,750
- B: Debit Electricity Expense £3,750, Credit Accruals (Liabilities) £3,750
- C: Debit Cash £3,750, Credit Electricity Expense £3,750
- D: Debit Electricity Expense £3,750, Credit Prepayments (Assets) £3,750

Question 3 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £27,000. The residual value of the machine is estimated to be £2,700 with an estimated useful life of 8 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: £23,963
- B: £20,926
- C: £18,226
- D: £21,263

Question 4 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Alpha Properties Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £900. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £450 was completely omitted from the books.
- B: A cash payment of £450 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £450 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £450 was debited to the Purchase Returns account and credited to Receivables Control.

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

The sole trader of Swift Logistics 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 6 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Falcon Engineering Ltd paid rent of £2,400. At the year-end, the company had an outstanding electricity invoice of £200 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

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

Question 7 — [Financial Accounting / Trial Balance Reconciliation]

A suspense account was opened with a debit balance of £6,000. It was discovered that a cash receipt of £6,000 from a credit customer was credited to the cash account and credited to Receivables Control. What is the correcting journal entry to clear the suspense account?

- A: Debit Cash £12,000, Credit Suspense Account £12,000
- B: Debit Receivables Control £6,000, Credit Suspense £6,000
- C: Debit Suspense £12,000, Credit Cash £12,000
- D: Debit Cash £6,000, Credit Receivables Control £6,000

Question 8 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Meridian Distributors Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £9,600 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 9 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Solar Energy plc balanced perfectly. However, it was later discovered that a purchase of equipment costing £4,800 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 / Asset Valuation and Depreciation]

A company purchased a manufacturing plant for £150,000 on 1 January Year 1. The company uses the reducing balance method of depreciation at 20% per annum. What is the depreciation charge for Year 2, and what is the carrying value at 31 December Year 2?

- A: Depreciation: £30,000, Carrying Value: £120,000
- B: Depreciation: £24,000, Carrying Value: £96,000
- C: Depreciation: £24,000, Carrying Value: £126,000
- D: Depreciation: £30,000, Carrying Value: £90,000

Question 11 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Atlas Transport Ltd 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 12 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Nexus Media 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 Nexus Media plc's cash book?

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

Question 13 — [Financial Accounting / Asset Valuation and Depreciation]

A company purchased a manufacturing plant for £48,000 on 1 January Year 1. The company uses the reducing balance method of depreciation at 20% per annum. What is the depreciation charge for Year 2, and what is the carrying value at 31 December Year 2?

- A: Depreciation: £9,600, Carrying Value: £38,400
- B: Depreciation: £7,680, Carrying Value: £30,720
- C: Depreciation: £7,680, Carrying Value: £40,320
- D: Depreciation: £9,600, Carrying Value: £28,800

Question 14 — [Financial Accounting / VAT Computations]

A retail store, Pinnacle Consulting Ltd, purchased inventories for a gross total of £15,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Pinnacle Consulting Ltd?

- A: Net Cost: £12,500, VAT Recoverable: £2,500
- B: Net Cost: £15,000, VAT Recoverable: £3,000
- C: Net Cost: £12,000, VAT Recoverable: £3,000
- D: Net Cost: £12,500, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

At 31 March, the bank statement of Summit Manufacturing Ltd shows a credit balance of £44,000. Unpresented checks total £11,000, and outstanding uncleared lodgements total £5,500. What is the reconciled balance that should appear in Summit Manufacturing Ltd's cash book?

- A: £38,500
- B: £49,500
- C: £60,500
- D: £27,500

Question 16 — [Financial Accounting / VAT Computations]

A grocery distributor, Meridian Distributors Ltd, recorded net sales of £176,000 for standard-rate products (20% VAT) and £88,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £35,200
- B: £52,800
- C: £17,600
- D: £0 (all food products are exempt from output VAT)

Question 17 — [Financial Accounting / Asset Valuation and Depreciation]

Swift Logistics Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £165,000, and 2) Had the exterior of the existing office block repainted for £16,500. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£165,000), Repainting: Revenue Expenditure (£16,500)
- C: Warehouse system: Revenue Expenditure (£165,000), Repainting: Capital Expenditure (£16,500)
- D: Both projects are Revenue Expenditure.

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

The Receivables Ledger Control Account of Beacon Logistics LLP is shown in the diagram. Credit sales of £9,600 were recorded, and cash of £7,680 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £6,720 Debit closing balance
- B: £6,720 Credit closing balance
- C: £14,400 Debit closing balance
- D: £7,680 Credit closing balance

Question 19 — [Financial Accounting / VAT Computations]

A grocery distributor, Beacon Logistics LLP, recorded net sales of £176,000 for standard-rate products (20% VAT) and £88,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £35,200
- B: £52,800
- C: £17,600
- D: £0 (all food products are exempt from output VAT)

Question 20 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Beacon Logistics LLP shows a credit balance of £33,600. Unpresented checks total £8,400, and outstanding uncleared lodgements total £4,200. What is the reconciled balance that should appear in Beacon Logistics LLP's cash book?

- A: £29,400
- B: £37,800
- C: £46,200
- D: £21,000

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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.