



# Applaa ACCA Practice Mock 42

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;=42> 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 / Trial Balance Reconciliation]

The trial balance of Omega Foodstuffs plc 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 2 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Aura Goods 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 3 — [Financial Accounting / Asset Valuation and Depreciation]

Vanguard Retail 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 4 — [Financial Accounting / Asset Valuation and Depreciation]

Nexus Media plc disposed of a delivery vehicle for £79,200. The vehicle had originally cost £132,000 and had accumulated depreciation of £66,000 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 £13,200
- B: Loss on disposal of £13,200
- C: Gain on disposal of £-52,800
- D: Loss on disposal of £66,000

**Question 5 — [Financial Accounting / Asset Valuation and Depreciation]**

Crown Paper Ltd 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 6 — [Financial Accounting / VAT Computations]**

A grocery distributor, Nova Tech Solutions Ltd, recorded net sales of £100,000 for standard-rate products (20% VAT) and £50,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £20,000
- B: £30,000
- C: £10,000
- D: £0 (all food products are exempt from output VAT)

**Question 7 — [Financial Accounting / Double-Entry Bookkeeping]**

For the year ended 31 December, Swift Logistics Ltd paid rent of £49,500. At the year-end, the company had an outstanding electricity invoice of £4,125 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £4,125, Credit Electricity Expense £4,125
- B: Debit Electricity Expense £4,125, Credit Accruals (Liabilities) £4,125
- C: Debit Cash £4,125, Credit Electricity Expense £4,125
- D: Debit Electricity Expense £4,125, Credit Prepayments (Assets) £4,125

**Question 8 — [Financial Accounting / Trial Balance Reconciliation]**

The trial balance of Nova Tech Solutions Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £6,000 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 9 — [Financial Accounting / VAT Computations]**

For the last quarter, Vanguard Retail Ltd had net credit sales of £165,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £99,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £16,500 Payable
- B: £16,500 Reclaimable
- C: £33,000 Payable
- D: £13,200 Payable

**Question 10 — [Financial Accounting / Trial Balance Reconciliation]**

The trial balance of Beacon Logistics LLP balanced perfectly. However, it was later discovered that a purchase of equipment costing £1,800 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 11 — [Financial Accounting / VAT Computations]**

A grocery distributor, Nova Tech Solutions 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 12 — [Financial Accounting / VAT Computations]**

Summit Manufacturing Ltd purchased a motor car for £165,000 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 13 — [Financial Accounting / Double-Entry Bookkeeping]**

The Receivables Ledger Control Account of Pinnacle Consulting Ltd is shown in the diagram. Credit sales of £5,400 were recorded, and cash of £4,320 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £3,780 Debit closing balance
- B: £3,780 Credit closing balance
- C: £8,100 Debit closing balance
- D: £4,320 Credit closing balance

**Question 14 — [Financial Accounting / VAT Computations]**

For the last quarter, Falcon Engineering Ltd 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 15 — [Financial Accounting / Double-Entry Bookkeeping]**

For the year ended 31 December, Zephyr Services LLP paid rent of £18,000. At the year-end, the company had an outstanding electricity invoice of £1,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £1,500, Credit Electricity Expense £1,500
- B: Debit Electricity Expense £1,500, Credit Accruals (Liabilities) £1,500
- C: Debit Cash £1,500, Credit Electricity Expense £1,500
- D: Debit Electricity Expense £1,500, Credit Prepayments (Assets) £1,500

**Question 16 — [Financial Accounting / VAT Computations]**

For the last quarter, Nexus Media plc had net credit sales of £8,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £4,800. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £800 Payable
- B: £800 Reclaimable
- C: £1,600 Payable
- D: £640 Payable

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

Genesis Enterprises 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 18 — [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 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: £27,300
- B: £24,600
- C: £21,600
- D: £24,300

**Question 19 — [Financial Accounting / Asset Valuation and Depreciation]**

Omega Foodstuffs plc 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 20 — [Financial Accounting / VAT Computations]**

A grocery distributor, Crown Paper Ltd, recorded net sales of £6,400 for standard-rate products (20% VAT) and £3,200 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £1,280
- B: £1,920
- C: £640
- 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;=42>

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.