



Applaa ACCA Practice Mock 46

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;=46> 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 / Double-Entry Bookkeeping]

For the year ended 31 December, Aura Goods 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 2 — [Financial Accounting / VAT Computations]

A grocery distributor, Nexus Media plc, 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)

Question 3 — [Financial Accounting / VAT Computations]

For the last quarter, Genesis Enterprises Ltd had net credit sales of £24,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £14,400. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £2,400 Payable
- B: £2,400 Reclaimable
- C: £4,800 Payable
- D: £1,920 Payable

Question 4 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Genesis Enterprises Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £15,000 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 5 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Meridian Distributors Ltd was £120,000. An error was discovered: Closing inventory was overstated by £4,800. What is the revised profit after correcting this error?

- A: £124,800
- B: £115,200
- C: £120,000 (no effect on profit)
- D: £110,400

Question 6 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Crest Hotels Ltd shows a credit balance of £28,800. Unpresented checks total £7,200, and outstanding uncleared lodgements total £3,600. What is the reconciled balance that should appear in Crest Hotels Ltd's cash book?

- A: £25,200
- B: £32,400
- C: £39,600
- D: £18,000

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

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

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

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

An entity purchased a machine on 1 January Year 1 for £12,000. The residual value of the machine is estimated to be £1,200 with an estimated useful life of 5 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: £9,840
- B: £7,680
- C: £6,480
- D: £8,640

Question 9 — [Financial Accounting / VAT Computations]

A retail store, Alpha Properties 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 Alpha Properties 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 10 — [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 £150. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £75 was completely omitted from the books.
- B: A cash payment of £75 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £75 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £75 was debited to the Purchase Returns account and credited to Receivables Control.

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

Titan Steel 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 retail store, Summit Manufacturing Ltd, purchased inventories for a gross total of £11,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Summit Manufacturing Ltd?

- A: Net Cost: £9,166, VAT Recoverable: £1,834
- B: Net Cost: £11,000, VAT Recoverable: £2,200
- C: Net Cost: £8,800, VAT Recoverable: £2,200
- D: Net Cost: £9,166, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 13 — [Financial Accounting / VAT Computations]

A retail store, Crown Paper Ltd, purchased inventories for a gross total of £12,500 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: £10,416, VAT Recoverable: £2,084
- B: Net Cost: £12,500, VAT Recoverable: £2,500
- C: Net Cost: £10,000, VAT Recoverable: £2,500
- D: Net Cost: £10,416, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 14 — [Financial Accounting / Asset Valuation and Depreciation]

Solar Energy 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 15 — [Financial Accounting / VAT Computations]

A grocery distributor, Solar Energy plc, recorded net sales of £57,600 for standard-rate products (20% VAT) and £28,800 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £11,520
- B: £17,280
- C: £5,760
- D: £0 (all food products are exempt from output VAT)

Question 16 — [Financial Accounting / VAT Computations]

Atlas Transport Ltd purchased a motor car for £24,000 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 17 — [Financial Accounting / Double-Entry Bookkeeping]

The Receivables Ledger Control Account of Titan Steel plc is shown in the diagram. Credit sales of £3,600 were recorded, and cash of £2,880 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £2,520 Debit closing balance
- B: £2,520 Credit closing balance
- C: £5,400 Debit closing balance
- D: £2,880 Credit closing balance

Question 18 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Falcon Engineering Ltd was £120,000. An error was discovered: Closing inventory was overstated by £18,000. What is the revised profit after correcting this error?

- A: £138,000
- B: £102,000
- C: £120,000 (no effect on profit)
- D: £84,000

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

Zephyr Services LLP disposed of a delivery vehicle for £60,000. The vehicle had originally cost £100,000 and had accumulated depreciation of £50,000 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 £10,000
- B: Loss on disposal of £10,000
- C: Gain on disposal of £-40,000
- D: Loss on disposal of £50,000

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

The Receivables Ledger Control Account of Meridian Distributors Ltd is shown in the diagram. Credit sales of £8,400 were recorded, and cash of £6,720 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £5,880 Debit closing balance
- B: £5,880 Credit closing balance
- C: £12,600 Debit closing balance
- D: £6,720 Credit closing balance

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■ Section Complete!

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■ Go to: <https://applaa.com/practice/check?exam=acca&paper;=46>

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.