



# Applaa ACCA Practice Mock 53

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;=53> 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]

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 4 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: £3,100
- B: £2,200
- C: £1,800
- D: £2,700

### Question 2 — [Financial Accounting / Asset Valuation and Depreciation]

Atlas Transport Ltd disposed of a delivery vehicle for £8,640. The vehicle had originally cost £14,400 and had accumulated depreciation of £7,200 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 £1,440
- B: Loss on disposal of £1,440
- C: Gain on disposal of £5,760
- D: Loss on disposal of £7,200

### Question 3 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Titan Steel plc 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 4 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Crest Hotels Ltd was £120,000. An error was discovered: Closing inventory was overstated by £8,400. What is the revised profit after correcting this error?

- A: £128,400
- B: £111,600
- C: £120,000 (no effect on profit)
- D: £103,200

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

The sole trader of Nexus Media 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, Apex Trading 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 7 — [Financial Accounting / VAT Computations]**

Nexus Media plc purchased a motor car for £54,000 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 8 — [Financial Accounting / VAT Computations]**

A retail store, Apex Trading Ltd, purchased inventories for a gross total of £16,500 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Apex Trading Ltd?

- A: Net Cost: £13,750, VAT Recoverable: £2,750
- B: Net Cost: £16,500, VAT Recoverable: £3,300
- C: Net Cost: £13,200, VAT Recoverable: £3,300
- D: Net Cost: £13,750, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

**Question 9 — [Financial Accounting / VAT Computations]**

For the last quarter, Genesis Enterprises 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 10 — [Financial Accounting / Trial Balance Reconciliation]**

The trial balance of Falcon Engineering Ltd 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 11 — [Financial Accounting / VAT Computations]**

A retail store, Beacon Logistics LLP, purchased inventories for a gross total of £1,200 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Beacon Logistics LLP?

- A: Net Cost: £1,000, VAT Recoverable: £200
- B: Net Cost: £1,200, VAT Recoverable: £240
- C: Net Cost: £960, VAT Recoverable: £240
- D: Net Cost: £1,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

The Receivables Ledger Control Account of Apex Trading Ltd is shown in the diagram. Credit sales of £800 were recorded, and cash of £640 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £560 Debit closing balance
- B: £560 Credit closing balance
- C: £1,200 Debit closing balance
- D: £640 Credit closing balance

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

Atlas Transport Ltd disposed of a delivery vehicle for £5,760. The vehicle had originally cost £9,600 and had accumulated depreciation of £4,800 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 £960
- B: Loss on disposal of £960
- C: Gain on disposal of £-3,840
- D: Loss on disposal of £4,800

**Question 14 — [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 £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 15 — [Financial Accounting / Asset Valuation and Depreciation]**

An entity purchased a machine on 1 January Year 1 for £125,000. The residual value of the machine is estimated to be £12,500 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: £110,938
- B: £96,876
- C: £84,376
- D: £98,438

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

For the year ended 31 December, Genesis Enterprises Ltd paid rent of £54,000. At the year-end, the company had an outstanding electricity invoice of £4,500 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £4,500, Credit Electricity Expense £4,500
- B: Debit Electricity Expense £4,500, Credit Accruals (Liabilities) £4,500
- C: Debit Cash £4,500, Credit Electricity Expense £4,500
- D: Debit Electricity Expense £4,500, Credit Prepayments (Assets) £4,500

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

The sole trader of Falcon Engineering Ltd 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 18 — [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 £1,200. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A:** A purchase invoice for £600 was completely omitted from the books.
- B:** A cash payment of £600 to a supplier was debited to the purchases account but not credited to the cash account.
- C:** Sales of £600 were recorded by debiting Receivables Control and debiting Sales Account.
- D:** A purchase return of £600 was debited to the Purchase Returns account and credited to Receivables Control.

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

A grocery distributor, Summit Manufacturing Ltd, recorded net sales of £19,200 for standard-rate products (20% VAT) and £9,600 for zero-rated food products. What is the total output VAT generated on these sales?

- A:** £3,840
- B:** £5,760
- C:** £1,920
- D:** £0 (all food products are exempt from output VAT)

**Question 20 — [Financial Accounting / Asset Valuation and Depreciation]**

Titan Steel plc disposed of a delivery vehicle for £105,600. The vehicle had originally cost £176,000 and had accumulated depreciation of £88,000 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 £17,600
- B:** Loss on disposal of £17,600
- C:** Gain on disposal of £-70,400
- D:** Loss on disposal of £88,000

# 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;=53>

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.