



Applaa ACCA Practice Mock 6

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;=6> 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]

A company purchased a manufacturing plant for £125,000 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: £25,000, Carrying Value: £100,000
- B: Depreciation: £20,000, Carrying Value: £80,000
- C: Depreciation: £20,000, Carrying Value: £105,000
- D: Depreciation: £25,000, Carrying Value: £75,000

Question 2 — [Financial Accounting / VAT Computations]

For the last quarter, Zephyr Services LLP had net credit sales of £36,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £21,600. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £3,600 Payable
- B: £3,600 Reclaimable
- C: £7,200 Payable
- D: £2,880 Payable

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

For the year ended 31 December, Alpha Properties Ltd paid rent of £10,800. At the year-end, the company had an outstanding electricity invoice of £900 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £900, Credit Electricity Expense £900
- B: Debit Electricity Expense £900, Credit Accruals (Liabilities) £900
- C: Debit Cash £900, Credit Electricity Expense £900
- D: Debit Electricity Expense £900, Credit Prepayments (Assets) £900

Question 4 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Meridian Distributors 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 5 — [Financial Accounting / Asset Valuation and Depreciation]

A company purchased a manufacturing plant for £42,000 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: £8,400, Carrying Value: £33,600
- B: Depreciation: £6,720, Carrying Value: £26,880
- C: Depreciation: £6,720, Carrying Value: £35,280
- D: Depreciation: £8,400, Carrying Value: £25,200

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

For the year ended 31 December, Genesis Enterprises Ltd paid rent of £21,600. At the year-end, the company had an outstanding electricity invoice of £1,800 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £1,800, Credit Electricity Expense £1,800
- B: Debit Electricity Expense £1,800, Credit Accruals (Liabilities) £1,800
- C: Debit Cash £1,800, Credit Electricity Expense £1,800
- D: Debit Electricity Expense £1,800, Credit Prepayments (Assets) £1,800

Question 7 — [Financial Accounting / VAT Computations]

A grocery distributor, Swift Logistics Ltd, recorded net sales of £33,600 for standard-rate products (20% VAT) and £16,800 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £6,720
- B: £10,080
- C: £3,360
- D: £0 (all food products are exempt from output VAT)

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

Apex Trading Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £48,000, and 2) Had the exterior of the existing office block repainted for £4,800. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£48,000), Repainting: Revenue Expenditure (£4,800)
- C: Warehouse system: Revenue Expenditure (£48,000), Repainting: Capital Expenditure (£4,800)
- D: Both projects are Revenue Expenditure.

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

At 31 March, the bank statement of Zephyr Services LLP 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 Zephyr Services LLP's cash book?

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

Question 10 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Crown Paper 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 11 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £62,500. The residual value of the machine is estimated to be £6,250 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: £51,250
- B: £40,000
- C: £33,750
- D: £45,000

Question 12 — [Financial Accounting / VAT Computations]

A grocery distributor, Nova Tech Solutions Ltd, recorded net sales of £88,000 for standard-rate products (20% VAT) and £44,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £17,600
- B: £26,400
- C: £8,800
- D: £0 (all food products are exempt from output VAT)

Question 13 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Aura Goods 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 14 — [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 15 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: £117,500
- B: £110,000
- C: £97,500
- D: £105,000

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

Titan Steel plc completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £250,000, and 2) Had the exterior of the existing office block repainted for £25,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£250,000), Repainting: Revenue Expenditure (£25,000)
- C: Warehouse system: Revenue Expenditure (£250,000), Repainting: Capital Expenditure (£25,000)
- D: Both projects are Revenue Expenditure.

Question 16 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Atlas Transport Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £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 17 — [Financial Accounting / Asset Valuation and Depreciation]

A company purchased a manufacturing plant for £165,000 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: £33,000, Carrying Value: £132,000
- B: Depreciation: £26,400, Carrying Value: £105,600
- C: Depreciation: £26,400, Carrying Value: £138,600
- D: Depreciation: £33,000, Carrying Value: £99,000

Question 18 — [Financial Accounting / VAT Computations]

Apex Trading Ltd purchased a motor car for £180,000 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 19 — [Financial Accounting / VAT Computations]

For the last quarter, Alpha Properties Ltd had net credit sales of £84,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £50,400. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £8,400 Payable
- B: £8,400 Reclaimable
- C: £16,800 Payable
- D: £6,720 Payable

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

For the year ended 31 December, Omega Foodstuffs 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

Submit Answers & Check worked Solutions

■ Section Complete!

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■ Go to: <https://applaa.com/practice/check?exam=acca&paper;=6>

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.