



# Applaa ACCA Practice Mock 80

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;=80> 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 grocery distributor, Nexus Media plc, recorded net sales of £120,000 for standard-rate products (20% VAT) and £60,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £24,000
- B: £36,000
- C: £12,000
- D: £0 (all food products are exempt from output VAT)

## Question 2 — [Financial Accounting / VAT Computations]

Crest Hotels Ltd purchased a motor car for £96,000 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 3 — [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 £11,000 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 4 — [Financial Accounting / Asset Valuation and Depreciation]

Atlas Transport Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £96,000, and 2) Had the exterior of the existing office block repainted for £9,600. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£96,000), Repainting: Revenue Expenditure (£9,600)
- C: Warehouse system: Revenue Expenditure (£96,000), Repainting: Capital Expenditure (£9,600)
- D: Both projects are Revenue Expenditure.

**Question 5 — [Financial Accounting / Trial Balance Reconciliation]**

Before correcting the year-end errors, the draft profit of Pinnacle Consulting Ltd was £120,000. An error was discovered: Closing inventory was overstated by £4,200. What is the revised profit after correcting this error?

- A: £124,200
- B: £115,800
- C: £120,000 (no effect on profit)
- D: £111,600

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

The Receivables Ledger Control Account of Atlas Transport Ltd is shown in the diagram. Credit sales of £6,000 were recorded, and cash of £4,800 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £4,200 Debit closing balance
- B: £4,200 Credit closing balance
- C: £9,000 Debit closing balance
- D: £4,800 Credit closing balance

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

The Receivables Ledger Control Account of Nova Tech Solutions Ltd 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 8 — [Financial Accounting / VAT Computations]**

Nova Tech Solutions Ltd purchased a motor car for £96,000 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 9 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Aura Goods Ltd shows a credit balance of £60,000. Unpresented checks total £15,000, and outstanding uncleared lodgements total £7,500. What is the reconciled balance that should appear in Aura Goods Ltd's cash book?

- A: £52,500
- B: £67,500
- C: £82,500
- D: £37,500

**Question 10 — [Financial Accounting / Asset Valuation and Depreciation]**

Alpha Properties Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £42,000, and 2) Had the exterior of the existing office block repainted for £4,200. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£42,000), Repainting: Revenue Expenditure (£4,200)
- C: Warehouse system: Revenue Expenditure (£42,000), Repainting: Capital Expenditure (£4,200)
- D: Both projects are Revenue Expenditure.

**Question 11 — [Financial Accounting / VAT Computations]**

A retail store, Nova Tech Solutions 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 Nova Tech Solutions 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 12 — [Financial Accounting / Trial Balance Reconciliation]**

Before correcting the year-end errors, the draft profit of Zephyr Services LLP was £120,000. An error was discovered: Closing inventory was overstated by £22,000. What is the revised profit after correcting this error?

- A: £142,000
- B: £98,000
- C: £120,000 (no effect on profit)
- D: £76,000

**Question 13 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Swift Logistics Ltd took goods costing £8,250 from the business for personal use. These goods had a selling price of £12,375. What is the correct double entry to record this transaction?

- A: Debit Drawings £8,250, Credit Purchases £8,250
- B: Debit Drawings £12,375, Credit Revenue £12,375
- C: Debit Purchases £8,250, Credit Drawings £8,250
- D: Debit Inventory £8,250, Credit Drawings £8,250

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

A retail store, Aura Goods Ltd, purchased inventories for a gross total of £1,800 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Aura Goods Ltd?

- A: Net Cost: £1,500, VAT Recoverable: £300
- B: Net Cost: £1,800, VAT Recoverable: £360
- C: Net Cost: £1,440, VAT Recoverable: £360
- D: Net Cost: £1,500, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

Genesis Enterprises Ltd 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 16 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Falcon Engineering Ltd took goods costing £7,500 from the business for personal use. These goods had a selling price of £11,250. What is the correct double entry to record this transaction?

- A: Debit Drawings £7,500, Credit Purchases £7,500
- B: Debit Drawings £11,250, Credit Revenue £11,250
- C: Debit Purchases £7,500, Credit Drawings £7,500
- D: Debit Inventory £7,500, Credit Drawings £7,500

**Question 17 — [Financial Accounting / Trial Balance Reconciliation]**

The trial balance of Summit Manufacturing Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £3,600 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 18 — [Financial Accounting / Trial Balance Reconciliation]**

Before correcting the year-end errors, the draft profit of Alpha Properties Ltd was £120,000. An error was discovered: Closing inventory was overstated by £1,200. What is the revised profit after correcting this error?

- A: £121,200
- B: £118,800
- C: £120,000 (no effect on profit)
- D: £117,600

**Question 19 — [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 £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 20 — [Financial Accounting / Double-Entry Bookkeeping]**

The sole trader of Meridian Distributors Ltd took goods costing £7,500 from the business for personal use. These goods had a selling price of £11,250. What is the correct double entry to record this transaction?

- A: Debit Drawings £7,500, Credit Purchases £7,500
- B: Debit Drawings £11,250, Credit Revenue £11,250
- C: Debit Purchases £7,500, Credit Drawings £7,500
- D: Debit Inventory £7,500, Credit Drawings £7,500

# 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;=80>

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.