



# Applaa ACCA Practice Mock 81

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;=81> 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]

Alpha Properties Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £150,000, and 2) Had the exterior of the existing office block repainted for £15,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£150,000), Repainting: Revenue Expenditure (£15,000)
- C: Warehouse system: Revenue Expenditure (£150,000), Repainting: Capital Expenditure (£15,000)
- D: Both projects are Revenue Expenditure.

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

Falcon Engineering Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £110,000, and 2) Had the exterior of the existing office block repainted for £11,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£110,000), Repainting: Revenue Expenditure (£11,000)
- C: Warehouse system: Revenue Expenditure (£110,000), Repainting: Capital Expenditure (£11,000)
- D: Both projects are Revenue Expenditure.

### Question 3 — [Financial Accounting / VAT Computations]

A grocery distributor, Aura Goods Ltd, recorded net sales of £200,000 for standard-rate products (20% VAT) and £100,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £40,000
- B: £60,000
- C: £20,000
- D: £0 (all food products are exempt from output VAT)

### 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 £140,000, and 2) Had the exterior of the existing office block repainted for £14,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£140,000), Repainting: Revenue Expenditure (£14,000)
- C: Warehouse system: Revenue Expenditure (£140,000), Repainting: Capital Expenditure (£14,000)
- D: Both projects are Revenue Expenditure.

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

At 31 March, the bank statement of Solar Energy plc 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 Solar Energy plc's cash book?

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

**Question 6 — [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 £12,500 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 7 — [Financial Accounting / Asset Valuation and Depreciation]**

Beacon Logistics LLP disposed of a delivery vehicle for £67,200. The vehicle had originally cost £112,000 and had accumulated depreciation of £56,000 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 £11,200
- B: Loss on disposal of £11,200
- C: Gain on disposal of £-44,800
- D: Loss on disposal of £56,000

**Question 8 — [Financial Accounting / VAT Computations]**

Titan Steel 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 9 — [Financial Accounting / Double-Entry Bookkeeping]**

The Receivables Ledger Control Account of Summit Manufacturing Ltd is shown in the diagram. Credit sales of £16,500 were recorded, and cash of £13,200 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £11,550 Debit closing balance
- B: £11,550 Credit closing balance
- C: £24,750 Debit closing balance
- D: £13,200 Credit closing balance

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

At 31 March, the bank statement of Swift Logistics Ltd shows a credit balance of £66,000. Unpresented checks total £16,500, and outstanding uncleared lodgements total £8,250. What is the reconciled balance that should appear in Swift Logistics Ltd's cash book?

- A: £57,750
- B: £74,250
- C: £90,750
- D: £41,250

**Question 11 — [Financial Accounting / Double-Entry Bookkeeping]**

At 31 March, the bank statement of Summit Manufacturing Ltd shows a credit balance of £3,200. Unpresented checks total £800, and outstanding uncleared lodgements total £400. What is the reconciled balance that should appear in Summit Manufacturing Ltd's cash book?

- A: £2,800
- B: £3,600
- C: £4,400
- D: £2,000

**Question 12 — [Financial Accounting / VAT Computations]**

A retail store, Alpha Properties 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 Alpha Properties 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 13 — [Financial Accounting / Double-Entry Bookkeeping]**

For the year ended 31 December, Crown Paper Ltd paid rent of £2,400. At the year-end, the company had an outstanding electricity invoice of £200 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £200, Credit Electricity Expense £200
- B: Debit Electricity Expense £200, Credit Accruals (Liabilities) £200
- C: Debit Cash £200, Credit Electricity Expense £200
- D: Debit Electricity Expense £200, Credit Prepayments (Assets) £200

**Question 14 — [Financial Accounting / Trial Balance Reconciliation]**

A bookkeeper at Aura Goods 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 15 — [Financial Accounting / VAT Computations]**

For the last quarter, Genesis Enterprises Ltd 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 16 — [Financial Accounting / Trial Balance Reconciliation]**

A bookkeeper at Nova Tech Solutions Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £240. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £120 was completely omitted from the books.
- B: A cash payment of £120 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £120 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £120 was debited to the Purchase Returns account and credited to Receivables Control.

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

For the year ended 31 December, Vanguard Retail 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 18 — [Financial Accounting / VAT Computations]**

Omega Foodstuffs plc purchased a motor car for £48,000 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, Falcon Engineering Ltd had net credit sales of £48,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £28,800. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £4,800 Payable
- B: £4,800 Reclaimable
- C: £9,600 Payable
- D: £3,840 Payable

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

At 31 March, the bank statement of Alpha Properties Ltd shows a credit balance of £38,400. Unpresented checks total £9,600, and outstanding uncleared lodgements total £4,800. What is the reconciled balance that should appear in Alpha Properties Ltd's cash book?

- A: £33,600
- B: £43,200
- C: £52,800
- D: £24,000

# 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;=81>

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.