



Applaa ACCA Practice Mock 83

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;=83> 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]

Falcon Engineering Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £220,000, and 2) Had the exterior of the existing office block repainted for £22,000. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£220,000), Repainting: Revenue Expenditure (£22,000)
- C: Warehouse system: Revenue Expenditure (£220,000), Repainting: Capital Expenditure (£22,000)
- D: Both projects are Revenue Expenditure.

Question 2 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Nexus Media plc prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £800. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £400 was completely omitted from the books.
- B: A cash payment of £400 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £400 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £400 was debited to the Purchase Returns account and credited to Receivables Control.

Question 3 — [Financial Accounting / Asset Valuation and Depreciation]

Zephyr Services LLP completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £12,000, and 2) Had the exterior of the existing office block repainted for £1,200. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£12,000), Repainting: Revenue Expenditure (£1,200)
- C: Warehouse system: Revenue Expenditure (£12,000), Repainting: Capital Expenditure (£1,200)
- D: Both projects are Revenue Expenditure.

Question 4 — [Financial Accounting / VAT Computations]

For the last quarter, Pinnacle Consulting 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 5 — [Financial Accounting / VAT Computations]

A grocery distributor, Vanguard Retail Ltd, recorded net sales of £28,800 for standard-rate products (20% VAT) and £14,400 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £5,760
- B: £8,640
- C: £2,880
- D: £0 (all food products are exempt from output VAT)

Question 6 — [Financial Accounting / VAT Computations]

Meridian Distributors Ltd purchased a motor car for £12,000 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 7 — [Financial Accounting / Double-Entry Bookkeeping]

At 31 March, the bank statement of Atlas Transport Ltd shows a credit balance of £72,000. Unpresented checks total £18,000, and outstanding uncleared lodgements total £9,000. What is the reconciled balance that should appear in Atlas Transport Ltd's cash book?

- A: £63,000
- B: £81,000
- C: £99,000
- D: £45,000

Question 8 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Solar Energy plc was £120,000. An error was discovered: Closing inventory was overstated by £11,000. What is the revised profit after correcting this error?

- A: £131,000
- B: £109,000
- C: £120,000 (no effect on profit)
- D: £98,000

Question 9 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Nova Tech Solutions Ltd was £120,000. An error was discovered: Closing inventory was overstated by £15,000. What is the revised profit after correcting this error?

- A: £135,000
- B: £105,000
- C: £120,000 (no effect on profit)
- D: £90,000

Question 10 — [Financial Accounting / VAT Computations]

A retail store, Nova Tech Solutions Ltd, purchased inventories for a gross total of £25,000 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: £20,833, VAT Recoverable: £4,167
- B: Net Cost: £25,000, VAT Recoverable: £5,000
- C: Net Cost: £20,000, VAT Recoverable: £5,000
- D: Net Cost: £20,833, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

Question 11 — [Financial Accounting / Trial Balance Reconciliation]

A bookkeeper at Crest Hotels Ltd prepared a trial balance which failed to agree, with the credit side exceeding the debit side by £1,800. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £900 was completely omitted from the books.
- B: A cash payment of £900 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £900 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £900 was debited to the Purchase Returns account and credited to Receivables Control.

Question 12 — [Financial Accounting / VAT Computations]

A retail store, Titan Steel plc, purchased inventories for a gross total of £6,000 inclusive of standard-rate VAT at 20%. What are the net purchase cost and the input VAT amount recoverable by Titan Steel plc?

- A: Net Cost: £5,000, VAT Recoverable: £1,000
- B: Net Cost: £6,000, VAT Recoverable: £1,200
- C: Net Cost: £4,800, VAT Recoverable: £1,200
- D: Net Cost: £5,000, VAT Recoverable: £0 (VAT is non-recoverable on inventories)

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

At 31 March, the bank statement of Zephyr Services LLP shows a credit balance of £7,200. Unpresented checks total £1,800, and outstanding uncleared lodgements total £900. What is the reconciled balance that should appear in Zephyr Services LLP's cash book?

- A: £6,300
- B: £8,100
- C: £9,900
- D: £4,500

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

An entity purchased a machine on 1 January Year 1 for £55,000. The residual value of the machine is estimated to be £5,500 with an estimated useful life of 10 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: £50,050
- B: £45,100
- C: £39,600
- D: £44,550

Question 15 — [Financial Accounting / VAT Computations]

A retail store, Vanguard Retail 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 Vanguard Retail 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 16 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Nexus Media plc was £120,000. An error was discovered: Closing inventory was overstated by £7,200. What is the revised profit after correcting this error?

- A: £127,200
- B: £112,800
- C: £120,000 (no effect on profit)
- D: £105,600

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

The Receivables Ledger Control Account of Pinnacle Consulting 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 18 — [Financial Accounting / VAT Computations]

For the last quarter, Atlas Transport 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 19 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Alpha Properties Ltd paid rent of £45,000. At the year-end, the company had an outstanding electricity invoice of £3,750 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £3,750, Credit Electricity Expense £3,750
- B: Debit Electricity Expense £3,750, Credit Accruals (Liabilities) £3,750
- C: Debit Cash £3,750, Credit Electricity Expense £3,750
- D: Debit Electricity Expense £3,750, Credit Prepayments (Assets) £3,750

Question 20 — [Financial Accounting / VAT Computations]

Genesis Enterprises Ltd purchased a motor car for £8,000 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.

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■ 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;=83>

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.