



Applaa ACCA Practice Mock 86

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;=86> 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 £75,000. The residual value of the machine is estimated to be £7,500 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: £68,250
- B: £61,500
- C: £54,000
- D: £60,750

Question 2 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Alpha Properties Ltd took goods costing £2,700 from the business for personal use. These goods had a selling price of £4,050. What is the correct double entry to record this transaction?

- A: Debit Drawings £2,700, Credit Purchases £2,700
- B: Debit Drawings £4,050, Credit Revenue £4,050
- C: Debit Purchases £2,700, Credit Drawings £2,700
- D: Debit Inventory £2,700, Credit Drawings £2,700

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

The Receivables Ledger Control Account of Crown Paper Ltd is shown in the diagram. Credit sales of £12,500 were recorded, and cash of £10,000 was received from credit customers. What is the correct closing balance (balance c/f) of the account?

- A: £8,750 Debit closing balance
- B: £8,750 Credit closing balance
- C: £18,750 Debit closing balance
- D: £10,000 Credit closing balance

Question 4 — [Financial Accounting / VAT Computations]

For the last quarter, Swift Logistics Ltd had net credit sales of £24,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £14,400. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £2,400 Payable
- B: £2,400 Reclaimable
- C: £4,800 Payable
- D: £1,920 Payable

Question 5 — [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 £54,000, and 2) Had the exterior of the existing office block repainted for £5,400. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£54,000), Repainting: Revenue Expenditure (£5,400)
- C: Warehouse system: Revenue Expenditure (£54,000), Repainting: Capital Expenditure (£5,400)
- D: Both projects are Revenue Expenditure.

Question 6 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £9,000. The residual value of the machine is estimated to be £900 with an estimated useful life of 6 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: £7,650
- B: £6,300
- C: £5,400
- D: £6,750

Question 7 — [Financial Accounting / Asset Valuation and Depreciation]

Crown Paper Ltd disposed of a delivery vehicle for £3,840. The vehicle had originally cost £6,400 and had accumulated depreciation of £3,200 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 £640
- B: Loss on disposal of £640
- C: Gain on disposal of £-2,560
- D: Loss on disposal of £3,200

Question 8 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Zephyr Services LLP took goods costing £12,500 from the business for personal use. These goods had a selling price of £18,750. What is the correct double entry to record this transaction?

- A: Debit Drawings £12,500, Credit Purchases £12,500
- B: Debit Drawings £18,750, Credit Revenue £18,750
- C: Debit Purchases £12,500, Credit Drawings £12,500
- D: Debit Inventory £12,500, Credit Drawings £12,500

Question 9 — [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 £360. A suspense account was opened. Which of the following errors, when corrected, could explain this difference?

- A: A purchase invoice for £180 was completely omitted from the books.
- B: A cash payment of £180 to a supplier was debited to the purchases account but not credited to the cash account.
- C: Sales of £180 were recorded by debiting Receivables Control and debiting Sales Account.
- D: A purchase return of £180 was debited to the Purchase Returns account and credited to Receivables Control.

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

Meridian Distributors Ltd completed two projects during the year: 1) Purchased and installed a new warehouse conveyor belt system for £36,000, and 2) Had the exterior of the existing office block repainted for £3,600. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£36,000), Repainting: Revenue Expenditure (£3,600)
- C: Warehouse system: Revenue Expenditure (£36,000), Repainting: Capital Expenditure (£3,600)
- D: Both projects are Revenue Expenditure.

Question 11 — [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 £8,000, and 2) Had the exterior of the existing office block repainted for £800. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£8,000), Repainting: Revenue Expenditure (£800)
- C: Warehouse system: Revenue Expenditure (£8,000), Repainting: Capital Expenditure (£800)
- D: Both projects are Revenue Expenditure.

Question 12 — [Financial Accounting / VAT Computations]

For the last quarter, Falcon Engineering Ltd had net credit sales of £110,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £66,000. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £11,000 Payable
- B: £11,000 Reclaimable
- C: £22,000 Payable
- D: £8,800 Payable

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

At 31 March, the bank statement of Summit Manufacturing Ltd shows a credit balance of £14,400. Unpresented checks total £3,600, and outstanding uncleared lodgements total £1,800. What is the reconciled balance that should appear in Summit Manufacturing Ltd's cash book?

- A: £12,600
- B: £16,200
- C: £19,800
- D: £9,000

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

Aura Goods Ltd 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 15 — [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 £54,000, and 2) Had the exterior of the existing office block repainted for £5,400. How should these expenditures be classified?

- A: Both projects are Capital Expenditure.
- B: Warehouse system: Capital Expenditure (£54,000), Repainting: Revenue Expenditure (£5,400)
- C: Warehouse system: Revenue Expenditure (£54,000), Repainting: Capital Expenditure (£5,400)
- D: Both projects are Revenue Expenditure.

Question 16 — [Financial Accounting / Asset Valuation and Depreciation]

An entity purchased a machine on 1 January Year 1 for £9,000. The residual value of the machine is estimated to be £900 with an estimated useful life of 3 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: £6,300
- B: £3,600
- C: £2,700
- D: £5,400

Question 17 — [Financial Accounting / VAT Computations]

A grocery distributor, Meridian Distributors Ltd, recorded net sales of £112,000 for standard-rate products (20% VAT) and £56,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £22,400
- B: £33,600
- C: £11,200
- D: £0 (all food products are exempt from output VAT)

Question 18 — [Financial Accounting / Asset Valuation and Depreciation]

Aura Goods Ltd 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 19 — [Financial Accounting / VAT Computations]

A grocery distributor, Meridian Distributors 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 / VAT Computations]

Apex Trading 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.

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■ Section Complete!

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■ Go to: <https://applaa.com/practice/check?exam=acca&paper;=86>

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.