



Applaa ACCA Practice Mock 96

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=96> 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 / Double-Entry Bookkeeping]

At 31 March, the bank statement of Aura Goods Ltd shows a credit balance of £100,000. Unpresented checks total £25,000, and outstanding uncleared lodgements total £12,500. What is the reconciled balance that should appear in Aura Goods Ltd's cash book?

- A: £87,500
- B: £112,500
- C: £137,500
- D: £62,500

Question 2 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Genesis Enterprises Ltd was £120,000. An error was discovered: Closing inventory was overstated by £18,000. What is the revised profit after correcting this error?

- A: £138,000
- B: £102,000
- C: £120,000 (no effect on profit)
- D: £84,000

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

The sole trader of Crest Hotels Ltd took goods costing £3,600 from the business for personal use. These goods had a selling price of £5,400. What is the correct double entry to record this transaction?

- A: Debit Drawings £3,600, Credit Purchases £3,600
- B: Debit Drawings £5,400, Credit Revenue £5,400
- C: Debit Purchases £3,600, Credit Drawings £3,600
- D: Debit Inventory £3,600, Credit Drawings £3,600

Question 4 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Nova Tech Solutions Ltd balanced perfectly. However, it was later discovered that a purchase of equipment costing £22,000 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 5 — [Financial Accounting / VAT Computations]

A grocery distributor, Crown Paper 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]

Falcon Engineering Ltd 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 7 — [Financial Accounting / VAT Computations]

For the last quarter, Meridian Distributors Ltd had net credit sales of £12,000 (excluding VAT). Gross purchases inclusive of 20% VAT were £7,200. What is the net VAT amount payable to (or reclaimable from) the tax authority?

- A: £1,200 Payable
- B: £1,200 Reclaimable
- C: £2,400 Payable
- D: £960 Payable

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

The sole trader of Zephyr Services LLP took goods costing £7,000 from the business for personal use. These goods had a selling price of £10,500. What is the correct double entry to record this transaction?

- A: Debit Drawings £7,000, Credit Purchases £7,000
- B: Debit Drawings £10,500, Credit Revenue £10,500
- C: Debit Purchases £7,000, Credit Drawings £7,000
- D: Debit Inventory £7,000, Credit Drawings £7,000

Question 9 — [Financial Accounting / Asset Valuation and Depreciation]

Vanguard Retail Ltd disposed of a delivery vehicle for £11,520. The vehicle had originally cost £19,200 and had accumulated depreciation of £9,600 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 £1,920
- B: Loss on disposal of £1,920
- C: Gain on disposal of £-7,680
- D: Loss on disposal of £9,600

Question 10 — [Financial Accounting / VAT Computations]

A grocery distributor, Vanguard Retail Ltd, recorded net sales of £144,000 for standard-rate products (20% VAT) and £72,000 for zero-rated food products. What is the total output VAT generated on these sales?

- A: £28,800
- B: £43,200
- C: £14,400
- D: £0 (all food products are exempt from output VAT)

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

At 31 March, the bank statement of Crown Paper Ltd shows a credit balance of £28,800. Unpresented checks total £7,200, and outstanding uncleared lodgements total £3,600. What is the reconciled balance that should appear in Crown Paper Ltd's cash book?

- A: £25,200
- B: £32,400
- C: £39,600
- D: £18,000

Question 12 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Crest Hotels 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 13 — [Financial Accounting / VAT Computations]

Nova Tech Solutions Ltd 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 14 — [Financial Accounting / Trial Balance Reconciliation]

The trial balance of Titan Steel plc balanced perfectly. However, it was later discovered that a purchase of equipment costing £1,200 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 15 — [Financial Accounting / Asset Valuation and Depreciation]

Solar Energy plc 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 16 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Crown Paper Ltd paid rent of £75,000. At the year-end, the company had an outstanding electricity invoice of £6,250 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £6,250, Credit Electricity Expense £6,250
- B: Debit Electricity Expense £6,250, Credit Accruals (Liabilities) £6,250
- C: Debit Cash £6,250, Credit Electricity Expense £6,250
- D: Debit Electricity Expense £6,250, Credit Prepayments (Assets) £6,250

Question 17 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Swift Logistics 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 18 — [Financial Accounting / Double-Entry Bookkeeping]

The sole trader of Swift Logistics Ltd took goods costing £1,200 from the business for personal use. These goods had a selling price of £1,800. What is the correct double entry to record this transaction?

- A: Debit Drawings £1,200, Credit Purchases £1,200
- B: Debit Drawings £1,800, Credit Revenue £1,800
- C: Debit Purchases £1,200, Credit Drawings £1,200
- D: Debit Inventory £1,200, Credit Drawings £1,200

Question 19 — [Financial Accounting / Trial Balance Reconciliation]

Before correcting the year-end errors, the draft profit of Genesis Enterprises Ltd 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 20 — [Financial Accounting / Double-Entry Bookkeeping]

For the year ended 31 December, Swift Logistics Ltd paid rent of £37,500. At the year-end, the company had an outstanding electricity invoice of £3,125 which has not yet been paid. What are the adjusting entries required at the year-end to record this accrual?

- A: Debit Accruals £3,125, Credit Electricity Expense £3,125
- B: Debit Electricity Expense £3,125, Credit Accruals (Liabilities) £3,125
- C: Debit Cash £3,125, Credit Electricity Expense £3,125
- D: Debit Electricity Expense £3,125, Credit Prepayments (Assets) £3,125

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;=96>

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.