ACCA TX Taxation (UK)

Mock exam: 15 questions in 27 minutes, with an answer key and explanations

How to use this mock

- Set a timer for **27 minutes** and answer every question without notes. Write your answers in the grid on the next page.
- Mark your answers using the answer key, then read the explanation for every question you got wrong or guessed.
- The questions cover every section of the syllabus, in proportion to the GoQualified question bank for TX.
- Prefer to sit it on screen? The **Exam Sim** on **goqualified.co.uk/tx/** times you, marks the paper and shows your weakest section.
- All questions are original GoQualified practice questions, not past exam questions.

Free from GoQualified. Questions start on page 3; the answer key and explanations follow them. Download the latest version from goqualified.co.uk/tx/.

Your answers

1 _____	**4** _____	**7** _____	**10** _____	**13** _____
2 _____	**5** _____	**8** _____	**11** _____	**14** _____
3 _____	**6** _____	**9** _____	**12** _____	**15** _____

Questions

Question 1

Oliver filed his 2024-25 self-assessment tax return online on 15 March 2026. What is the correct online filing deadline, and was his return filed on time?

A 31 January 2027 — filed on time
B 31 October 2025 — filed late
C 31 January 2026 — filed late
D 28 February 2026 — filed on time

Question 2

Petra was provided with a petrol company car throughout the tax year 2025-26. The list price is £28,000 and CO2 emissions are 55 grams per kilometre (the base level: 17%). Petra contributes £50 per month towards the private use of the car. What is the taxable car benefit for 2025-26?

A £4,160
B £4,760
C £3,560
D £4,340

Question 3

Helena uses her own car for work. In 2025-26 she drives 14,000 business miles. Her employer pays 30p per mile. The approved mileage rates are 45p (first 10,000 miles) and 25p (thereafter). What amount can Helena claim as a deduction against her employment income?

A £1,300
B £1,500
C £700
D £2,100

Question 4

At the start of the year ended 31 March 2026, a trader's main pool tax written down value is £40,000. During the year, equipment costing £8,000 is purchased. No assets are disposed of. What is the maximum capital allowances claim? (AIA limit £1,000,000; WDA 18%)

A 18% WDA on the full £48,000 = £8,640
B AIA £8,000 only
C AIA £8,000 on new equipment; 18% WDA on £40,000 pool = £7,200; total £15,200
D 18% WDA on £40,000 only = £7,200

Question 5

A business purchases a new petrol car with CO2 emissions of 80g/km for £24,000 for use by a salesperson. What capital allowance applies in the first year?

A 100% first year allowance
B 18% writing down allowance on the main pool
C AIA of £24,000
D 6% writing down allowance on the special rate pool

Question 6

Vivienne grants a 30-year lease and receives a premium of £100,000. What amount is treated as property income and what is the capital element? (Formula: taxable = Premium × (51 − n) / 50)

A £100,000 income; £0 capital
B £58,000 income; £42,000 capital
C £50,000 income; £50,000 capital
D £42,000 income; £58,000 capital

Question 7

On 1 April 2020, James bought 4,000 shares in Teal Ltd for £6,000. On 1 June 2023 he bought a further 2,000 shares for £4,000. On 31 March 2026 he sells 3,000 shares for £9,000. What is the allowable cost of the shares sold?

A £3,000
B £5,400
C £5,000
D £4,500

Question 8

Sophie holds 2,000 shares in Blue plc, acquired for £5,000. Blue plc makes a 1-for-4 bonus issue. Sophie later sells all her shares. How does the bonus issue affect the base cost per share?

A The bonus shares have a base cost of £0; original shares retain £5,000 cost
B Each bonus share is given a cost of £2.50 (the original cost per share), increasing the total cost to £6,250
C The £5,000 cost is spread over the enlarged holding of 2,500 shares
D The bonus issue creates a chargeable event — Sophie pays CGT on the bonus shares immediately

Question 9

Which of the following conditions must be met for an individual to claim business asset disposal relief (BADR) on the disposal of shares in their personal company?

A The shares must have been owned for at least 5 years
B The individual must have held at least 5% of the ordinary share capital and been an officer or employee for at least 2 years
C The individual must own 100% of the company
D The company must be a quoted company on the London Stock Exchange

Question 10

Harold died in 2015 leaving his entire estate to his wife, Iris. No NRB was used on Harold's death. Iris dies in 2025-26 with an estate of £800,000. The NRB is £325,000. What NRB is available to Iris's estate?

A £325,000
B £650,000
C £975,000
D £500,000

Question 11

Compact Ltd has taxable total profits of £45,000 for the year ended 31 March 2026. It has no associated companies. What is its corporation tax liability?

A £11,250
B £9,000
C £8,550
D £11,000

Question 12

Thornton Ltd's main pool tax written down value at 1 April 2025 is £85,000. During the year ended 31 March 2026 the company buys equipment for £30,000 and disposes of an asset (original cost £15,000; proceeds £8,000; no AIA was claimed on this asset). AIA limit £1,000,000. What are the total capital allowances?

A £30,000 AIA + 18% WDA on £93,000 = £46,740
B £30,000 AIA + 18% WDA on £85,000 = £45,300
C £30,000 AIA + 18% WDA on £77,000 = £43,860
D 18% WDA on £107,000 = £19,260

Question 13

Harrington Ltd receives annual rent of £84,000 from a commercial property. The company pays insurance of £2,400, repairs of £8,600, and managing agent fees of £4,200. What is the property business profit?

A £84,000
B £80,000
C £68,800
D £72,600

Question 14

In the quarter to 31 March 2026, Radford Ltd made standard-rated sales of £80,000 (ex-VAT) and purchased standard-rated goods of £45,000 (ex-VAT). One purchase of £6,000 (ex-VAT) was for business entertainment. VAT rate 20%. What is the VAT payable to HMRC?

A £8,200
B £8,800
C £7,000
D £9,000

Question 15

Apex Ltd and its wholly owned subsidiary Base Ltd both make standard-rated supplies. They apply for VAT group registration. What is the main consequence?

A Each company submits its own VAT return but uses a shared VAT number
B All supplies between Apex Ltd and Base Ltd are outside the scope of VAT; one VAT return is submitted for the group
C Apex Ltd pays VAT at a reduced rate as a group member
D Base Ltd is exempt from VAT as a subsidiary

Answer key

1 C	**4** C	**7** C	**10** B	**13** C
2 A	**5** D	**8** C	**11** C	**14** A
3 A	**6** D	**9** B	**12** C	**15** B

Score: count your correct answers out of 15. Then work through the explanations below.

Answers and explanations

Question 1: C 31 January 2026 — filed late

The online filing deadline for a 2024-25 self-assessment return is 31 January 2026. Oliver filed on 15 March 2026 — after this deadline, so his return was filed late. Option A gives the deadline for the 2025-26 tax year. Option B is the paper filing deadline (31 October). Option D is incorrect — there is no 28 February deadline in self-assessment.

Section A, Self-assessment — filing deadlines · Ref A3a · tx005

Question 2: A £4,160

Car benefit = (List price × appropriate %) − employee contributions. At 55g/km, the percentage is 17%. Gross benefit = £28,000 × 17% = £4,760. Employee contributions = £50 × 12 = £600. Taxable benefit = £4,760 − £600 = £4,160. Option B (£4,760) ignores the employee's contribution. Option C uses an incorrect percentage. Option D is also incorrect. The taxable benefit is £4,160.

Section B, Employment benefits — company car · Ref B2g · tx016

Question 3: A £1,300

Helena can claim the excess of the approved rate over what her employer actually pays. First 10,000 miles: approved 45p, paid 30p = 15p shortfall × 10,000 = £1,500 deductible. Next 4,000 miles: approved 25p, paid 30p = employer pays 5p above approved rate, giving a taxable mileage allowance payment of £200. Net deductible = £1,500 − £200 = £1,300. Option B (£1,500) only counts the underpayment on the first 10,000 miles and ignores the overpayment on the next 4,000. Option C and D use incorrect calculations.

Section B, Mileage allowances — deductible amount · Ref B2e · tx022

Question 4: C AIA £8,000 on new equipment; 18% WDA on £40,000 pool = £7,200; total £15,200

The £8,000 equipment qualifies for 100% AIA (well within the £1,000,000 limit), so it is fully deducted in year. The AIA claim means the equipment does not enter the pool. The existing pool of £40,000 gets 18% WDA = £7,200. Maximum claim = £8,000 + £7,200 = £15,200. Option A applies WDA to the combined £48,000 balance — this applies only if AIA is not claimed. Option B claims only AIA. Option D claims only WDA.

Section B, Capital allowances — AIA and WDA · Ref B3h · tx028

Question 5: D 6% writing down allowance on the special rate pool

Cars are excluded from the AIA and from first year allowances (unless zero-emission). A car with emissions of 80g/km (over 50g/km) is allocated to the special rate pool at 6% WDA. A car with 1–50g/km would go to the main pool at 18%. New zero-emission cars attract 100% FYA. Option A (100% FYA) is only for new zero-emission cars. Option B (18% main pool) applies to 1–50g/km cars. Option C (AIA) is not available for cars.

Section B, Capital allowances — cars · Ref B3h · tx050

Question 6: D £42,000 income; £58,000 capital

When a short lease premium is received (lease of 50 years or less), part is treated as property income. Taxable amount = Premium × (51 − n)/50, where n = lease duration in years. Taxable = £100,000 × (51 − 30)/50 = £100,000 × 21/50 = £42,000. Capital element = £100,000 − £42,000 = £58,000. Option A treats the full premium as income. Option B reverses income and capital. Option C incorrectly splits 50/50.

Section B, Short lease premium · Ref B4d · tx054

Question 7: C £5,000

All shares in the same company are pooled in the Section 104 pool. Pool after both purchases: 6,000 shares at total cost £10,000. Average cost = £10,000 / 6,000 = £1.6667 per share. Cost of 3,000 shares sold = 3,000 × £1.6667 = £5,000. Gain = £9,000 − £5,000 = £4,000. Option A (£3,000) uses only the original cost. Option B (£5,400) uses incorrect averaging. Option D (£4,500) = £9,000/2, which is wrong.

Section C, Section 104 pool · Ref C4c · tx070

Question 8: C The £5,000 cost is spread over the enlarged holding of 2,500 shares

A bonus issue (scrip issue) is not a chargeable event, so no CGT arises at the time of issue. The bonus shares are free, so no extra cost is added: the original cost of £5,000 is simply spread over the enlarged holding. Sophie receives 2,000 × 1/4 = 500 bonus shares, giving a total of 2,500 shares. New cost per share = £5,000 / 2,500 = £2. Option A is incorrect: the bonus shares and original shares form one holding sharing the £5,000 cost. Option B is wrong: the bonus shares cost nothing, so the total cost stays at £5,000 rather than rising to £6,250. Option D is wrong: bonus issues are not chargeable events.

Section C, Bonus issue · Ref C4d · tx071

Question 9: B The individual must have held at least 5% of the ordinary share capital and been an officer or employee for at least 2 years

For BADR on shares, the individual must: hold at least 5% of the ordinary share capital and voting rights, be an officer or employee of the company, and have met these conditions for at least 2 years before disposal. Option A (5 years) is wrong — 2 years is the minimum. Option C (100% ownership) is wrong — 5% is the minimum. Option D is wrong — BADR applies to shares in personal companies which are often unquoted.

Section C, BADR — qualifying conditions · Ref C5b · tx080

Question 10: B £650,000

When a person dies, any proportion of their nil rate band that was not used can be transferred to their surviving spouse. Harold used 0% of his NRB, so 100% is transferable to Iris. Iris's available NRB = £325,000 × 2 = £650,000. With no main residence or lifetime gifts mentioned, IHT on her estate = (£800,000 − £650,000) × 40% = £60,000. Option A only uses Iris's own NRB. Option C (£975,000) is not possible: the transferred amount is capped at 100% of the nil rate band, so the maximum is £650,000 even where there have been several predeceased spouses. Option D (£500,000) adds the £175,000 residence nil rate band to Iris's own NRB; the residence nil rate band is a separate band, available only where a main residence passes to direct descendants.

Section D, IHT — transferable nil rate band · Ref D2c · tx089

Question 11: C £8,550

Profits of £45,000 are below the lower limit of £50,000 (no associated companies), so the small profits rate of 19% applies. CT = £45,000 × 19% = £8,550. Option A (£11,250) applies the main rate of 25%: £45,000 × 25% = £11,250. Option B (£9,000) uses an incorrect rate. Option D (£11,000) also uses a wrong rate.

Section E, CT — small profits rate · Ref E4a · tx106

Question 12: C £30,000 AIA + 18% WDA on £77,000 = £43,860

AIA: £30,000 on new equipment. Pool: WDV b/f £85,000 − disposal proceeds £8,000 = £77,000. (The disposed asset's proceeds are deducted from the pool, not the original cost.) WDA: £77,000 × 18% = £13,860. Total: £30,000 + £13,860 = £43,860. Option A incorrectly adds the new equipment to the pool before deducting disposal proceeds. Option B also calculates the pool balance incorrectly. Option D does not claim AIA.

Section E, CT — capital allowances on plant · Ref E2c · tx114

Question 13: C £68,800

Property business profit = Rent − Allowable deductions. Allowable: insurance £2,400 + repairs £8,600 + managing agent fees £4,200 = £15,200. (Note: unlike residential property for individuals, there is no finance cost restriction for companies.) Profit = £84,000 − £15,200 = £68,800. Option A uses gross rent. Option B makes an incorrect deduction. Option D also makes an error.

Section E, CT — property business profits · Ref E2d · tx119

Question 14: A £8,200

Output VAT = £80,000 × 20% = £16,000. Input VAT on allowable purchases: business entertainment input VAT is blocked. Non-entertainment purchases = £45,000 − £6,000 = £39,000. Input VAT = £39,000 × 20% = £7,800. VAT payable = £16,000 − £7,800 = £8,200. Option C (£7,000) reclaims all the input VAT, including the blocked entertainment VAT (£16,000 − £9,000). Options B and D contain other errors.

Section F, VAT — output and input tax · Ref F2a · tx134

Question 15: B All supplies between Apex Ltd and Base Ltd are outside the scope of VAT; one VAT return is submitted for the group

Under VAT group registration, a single VAT return is submitted for the group and supplies between group members are disregarded for VAT — they are treated as outside the scope. All companies in the group use a single VAT registration number. The representative member (usually the parent) is responsible for accounting for VAT. Option A incorrectly suggests separate returns. Option C and D are wrong — no rate reductions or exemptions arise simply from group registration.

Section F, VAT — group registration · Ref F1c · tx142