IQM3007

LEVEL 3 · CONTROLLED STAFF DOCUMENT

INTO QUALIFICATIONS

Business and Accounting

Component 4: Accounting Viva

STAFF ONLY · Controlled five-question viva bank

Duration
10 minutes

Total marks
100

Assessment window
Sample assessment

Assessment set
Set S of 2026

Audience
Staff only

Release timing
at coursework release

STAFF ONLY · Do not release these questions to students in advance.

Delivery rules

- Ask all five questions within the 10-minute assessment.
- Use the approved bank version for the assessment window.
- Neutral clarification may be used; do not coach or lead the candidate.
- Record the viva and complete the delivery and marking records.

Question 1

A small manufacturer’s owner wants both a report for an outside lender and weekly information to plan production. Explain how financial and management accounting meet these needs. Which information would you prioritise for next week’s production decision, and why?

Question 2

A workshop is deciding whether to accept a one-off order. It already paid for a design that cannot be reused or sold. Accepting the order would require extra materials and overtime. Explain which costs matter to the decision and why a full-cost total might mislead.

Question 3

A café uses break-even analysis to plan a new lunch service. Its calculation assumes a constant selling price and variable cost per lunch, but discounts may be needed and food prices are uncertain. How useful is the break-even estimate for deciding whether to launch?

Question 4

A profitable wholesaler expects customers to pay after its suppliers must be paid. It also plans an equipment purchase next month. Explain how a cash budget could help the owner choose what to do, including one limitation.

Question 5

A workshop can use its only free afternoon for either a new customer’s trial order or a regular customer’s repair. Taking the trial would mean giving up the repair’s positive contribution. How should the owner use opportunity cost and non-financial information to decide?

Staff administration

Before the assessment, check identity, recording arrangements, the controlled bank version and any approved access arrangements. Record these checks without inserting invented learner or approval details. Start the recording before the assessed exchange.

Ask all five questions in order. Read each context and question exactly as printed. Plan approximately two minutes per question including reading and any clarification; this is a pacing guide, not a separate timed test or mark allocation. Prompt a transition neutrally so all five questions can be attempted within 10 minutes.

Repeat the question verbatim if requested. Ask the listed Q5 neutral follow-up for every candidate. Use another listed neutral follow-up only when needed to clarify reasoning and time permits. Do not supply concepts, examples, corrections, preferred judgements or missing accounting steps. Record every follow-up used.

No candidate-provided notes, sources, case studies, calculator or live assistance. Do not show staff indicative guidance or provide it as reading material. Follow approved access arrangements without improvising a changed assessed demand.

Record actual start/end times, all question IDs, clarification wording, interruptions and recording reference in the delivery record. Follow the controlling assessment policy for interruptions or recording failure; do not invent a completed assessment or a mark for missing evidence.

Assess the whole recorded performance using four independent criterion marks: knowledge 30, application 30, critical thinking/analysis 20, communication 20. Use the verbatim component-specific MCS descriptors and displayed raw ranges. No question has a separate score; do not award five marks out of 20 or average band labels.

Indicative guidance identifies possible evidence and misconceptions, not a model script or exhaustive checklist. Credit accurate alternatives and justified conditional conclusions. A judgement can differ from the examples. Do not require every indicative point in a two-minute response or use omitted examples as automatic score caps.

Record specific spoken evidence and one focused improvement for every criterion. Preserve the first-marker decision and complete the moderator/second-marker column according to the controlling policy; do not fabricate double marking, signatures, agreement or approval. Sum the four agreed raw marks to 100.

Q1 · Indicative evidence

A small manufacturer’s owner wants both a report for an outside lender and weekly information to plan production. Explain how financial and management accounting meet these needs. Which information would you prioritise for next week’s production decision, and why?

Financial accounting provides information about financial performance/position for external users, usually aggregated and periodic; management accounting supplies internal, purpose-specific planning/control information. Weekly capacity, expected orders, materials and costs can support the immediate production decision. Financial information remains relevant to cash constraints; do not present the types as mutually exclusive or assert management information is always purely future-looking. Evaluate relevance and timeliness rather than claiming one type is universally superior. No technical financial-statement preparation or tax knowledge is required.

Optional neutral clarification: Why is that information useful for the immediate decision?

Mapped learning outcomes: LO43, LO44, LO45, LO46. AO3 and AO4 are evidenced through the question demand and whole performance. Apply the controlled four-criterion rubric without a numerical AO split. No separate question score.

Q2 · Indicative evidence

A workshop is deciding whether to accept a one-off order. It already paid for a design that cannot be reused or sold. Accepting the order would require extra materials and overtime. Explain which costs matter to the decision and why a full-cost total might mislead.

The irreversible past design cost is sunk and does not change with acceptance. Incremental future materials and overtime are relevant; compare incremental revenue with relevant costs and capacity constraints. Full-cost allocations can include unchanged costs, wrongly discouraging a beneficial order; conversely ignoring a real incremental cost overstates benefit. Candidates may explain that long-term pricing must eventually recover wider costs, while the specified choice is short term. Do not equate every fixed cost with irrelevant or every variable cost with relevant without considering whether it changes.

Optional neutral clarification: What makes a cost relevant to this choice?

Mapped learning outcomes: LO47, LO48, LO49, LO50, LO52. AO3 and AO4 are evidenced through the question demand and whole performance. Apply the controlled four-criterion rubric without a numerical AO split. No separate question score.

Q3 · Indicative evidence

A café uses break-even analysis to plan a new lunch service. Its calculation assumes a constant selling price and variable cost per lunch, but discounts may be needed and food prices are uncertain. How useful is the break-even estimate for deciding whether to launch?

Break-even is where total revenue equals total cost; contribution covers fixed costs. The estimate identifies required volume and can be compared with plausible demand or margin of safety. Discounts reduce contribution, as do higher variable costs, increasing required break-even volume if other conditions hold. Evaluate sensitivity, capacity and uncertainty rather than discarding the tool because it is approximate. Scenario analysis and qualitative demand/service evidence can support a conditional launch decision. No calculation, formula recitation or graph drawing is required live; correct relationships are valid evidence.

Optional neutral clarification: Which assumption would you check first, and why?

Mapped learning outcomes: LO42, LO49, LO53, LO54, LO55, LO56, LO57. AO3 and AO4 are evidenced through the question demand and whole performance. Apply the controlled four-criterion rubric without a numerical AO split. No separate question score.

Q4 · Indicative evidence

A profitable wholesaler expects customers to pay after its suppliers must be paid. It also plans an equipment purchase next month. Explain how a cash budget could help the owner choose what to do, including one limitation.

A cash budget forecasts timed cash receipts/payments and opening/closing balances, exposing a shortfall that profit does not reveal. The owner can consider rescheduling equipment, negotiating payment terms, improving collections or arranging funding before obligations fall due. Weigh effects such as delaying capacity, supplier relationships, customer reactions or finance cost. Forecasts depend on uncertain collection and payment timing and need updating. Do not include depreciation as a cash payment or assume accounting profit guarantees liquidity. No numerical budget or borrowing calculation is demanded.

Optional neutral clarification: How could a change in customer payment timing affect the plan?

Mapped learning outcomes: LO41, LO42, LO45, LO58, LO59, LO60. AO3 and AO4 are evidenced through the question demand and whole performance. Apply the controlled four-criterion rubric without a numerical AO split. No separate question score.

Q5 · Indicative evidence

A workshop can use its only free afternoon for either a new customer's trial order or a regular customer's repair. Taking the trial would mean giving up the repair's positive contribution. How should the owner use opportunity cost and non-financial information to decide?

The contribution foregone from the next-best repair is an opportunity cost of the trial, alongside the trial's incremental costs. Compare the trial's incremental revenue with these relevant costs consistently; do not subtract both the full lost repair revenue and its lost contribution. No amounts are supplied, so a numerical optimum cannot be asserted. Weigh uncertain repeat business, reputation, commitments and regular-customer trust. A conditional decision based on evidence about future demand and service promises is defensible. This assesses opportunity/relevant cost, not ranking products by contribution per limiting factor.

Required neutral follow-up: What evidence would help you judge the non-financial effects?

Mapped learning outcomes: LO42, LO50, LO51, LO52. AO3 and AO4 are evidenced through the question demand and whole performance. Apply the controlled four-criterion rubric without a numerical AO split. No separate question score.