IQM4007

LEVEL 4 · CONTROLLED ASSESSMENT

INTO QUALIFICATIONS

Business Law and Governance

Final written examination

Candidate question paper

Duration
2 hours

Total marks
100

Assessment window
Sample assessment

Assessment set
Set S of 2026

Response instruction
Follow the response instructions shown for each section.

Release timing
exam release

Paper
IQM4007 A2

Assessment set ID
2026-S

INTO QUALIFICATIONS LEARNER ID

DELIVERY CENTRE ID (OPTIONAL)

EXAM DATE
_____

ASSESSMENT SET
Set S of 2026

Do not open this paper until instructed. Record answers in the separate answer booklet as instructed.

FOR MARKER USE ONLY

Marker initials	**Mark / 100**

About this sample assessment

Closed-book individual examination assessing legal knowledge, interpretation and application across business law/governance. Module-guide weighting 50%; assesses LO1-LO4.

Instructions for candidates

- Select one answer for every Section A item. Answer all B1-B4 and C1 in the answer booklet. Identify legal issues, state the governing principle, apply facts, and reach a justified conclusion.
- This examination is completed under secure, invigilated, closed-book conditions. No candidate-provided materials are permitted. Relevant scenario and case-study materials for Sections B and C are supplied in the paper. Permitted calculator: not applicable to this assessment. GenAI use is Level 1 Controlled Assessment. Generative AI must not be used at any stage of the examination.

Questions

A1 [1 marks]

Which part of a judgment is generally binding on a lower court when relevant?

- A: Every comment made by the judge
- B: The ratio decidendi
- C: A party's submission
- D: A press summary

A2 [1 marks]

A shop displays a bicycle with a price label. In the usual analysis, this is most likely:

- A: An invitation to treat
- B: Acceptance
- C: Consideration
- D: A completed contract

A3 [1 marks]

In a simple contract, consideration is best described as:

- A: A court remedy
- B: Value exchanged for a promise
- C: A witness signature
- D: A written term only

A4 [1 marks]

What is the usual aim of expectation damages for breach of contract?

- A: Punish the defendant
- B: Place claimant, so far as money can, in the position if the contract had been performed
- C: Guarantee a profit
- D: Remove the need to prove loss

A5 [1 marks]

A key effect of incorporating a company is that:

- A: The company is a separate legal person
- B: Shareholders own company property directly
- C: Directors guarantee all debts
- D: The company cannot contract

A6 [1 marks]

For a UK company director, section 172 Companies Act 2006 principally concerns the duty to:

- A: Promote the success of the company for members as a whole, having regard to listed factors
- B: Obey every shareholder instruction
- C: Maximise only this quarter's profits
- D: Avoid all commercial risk

A7 [1 marks]

A provision, criterion or practice that disadvantages a protected group and an individual may engage which concept, subject to justification analysis?

- A: Direct offer
- B: Indirect discrimination
- C: Consideration
- D: Limited liability

A8 [1 marks]

The purpose of reasonable adjustments in disability law is generally to:

- A: Address substantial disadvantage
- B: Guarantee promotion
- C: Remove all performance standards
- D: Replace health and safety duties

A9 [1 marks]

Under the Consumer Rights Act 2015, goods supplied to a consumer must generally be:

- A: Of satisfactory quality
- B: The cheapest available
- C: New in every case
- D: Covered by a lifetime guarantee

A10 [1 marks]

Data minimisation means an organisation should:

- A: Collect all potentially useful data
- B: Limit personal data to what is necessary for the stated purpose
- C: Keep data forever
- D: Publish data to ensure transparency

A11 [1 marks]

A controller is generally the organisation that:

- A: Determines purposes and means of processing
- B: Only stores encrypted files
- C: Is always the data subject
- D: Processes data solely on another's instructions

A12 [1 marks]

A reportable personal data breach under UK GDPR must generally be notified to the ICO:

- A: Within 24 hours in all cases
- B: Without undue delay and, where feasible, within 72 hours of awareness, when the notification threshold is met
- C: Only after a court order
- D: Only if every affected person complains

A13 [1 marks]
Which action best supports board oversight of a critical supplier?

- A: Rely on informal assurances
- B: Assign an owner, define performance/risk measures and review evidence
- C: Avoid recording decisions
- D: Delegate all accountability to the supplier

A14 [1 marks]
A contract term is described as a condition. A breach will usually allow the innocent party to:

- A: Terminate and claim damages, subject to the contract and facts
- B: Claim damages only in every case
- C: Terminate but never claim damages
- D: Recover a penalty automatically

A15 [1 marks]
Which statement about limited liability is most accurate for a shareholder in a company limited by shares?

- A: The shareholder is generally liable for every company debt
- B: Liability is generally limited to any unpaid amount on the shares
- C: The shareholder cannot lose the investment
- D: The company and shareholder are one person

A16 [1 marks]
Which is an example of a contract acceptance?

- A: A clear, final agreement to the offer's terms communicated by the offeree
- B: A question about price
- C: A rejection
- D: A product advertisement

A17 [1 marks]
When considering a contractual damages claim, which is a relevant control on recovery?

- A: Whether loss was caused by breach and is not too remote
- B: Whether claimant is angry
- C: Whether defendant is wealthy
- D: Whether a party has a social-media account

A18 [1 marks]
A board minutes entry is most useful when it records:

- A: Only the final vote
- B: Decision, key evidence, risks considered, conflicts, and assigned actions
- C: Personal opinions unrelated to business
- D: A guarantee that no risk exists

A19 [1 marks]
Which is the most appropriate first response to a suspected supplier data incident?

- A: Delete all logs
- B: Contain access, preserve evidence, establish facts and assess risk through the incident process
- C: Assume that all records were stolen
- D: Make a public statement before checking facts

A20 [1 marks]

A sound legal conclusion in a fact-limited scenario should:

- A: State a certainty regardless of missing facts
- B: Identify uncertainty and explain which additional evidence could change the result
- C: Ignore the legal test
- D: Assume the claimant wins

B1 [10 marks]

A supplier emails a firm: 'We can provide 50 tablets at £300 each, delivery by 1 September.' The firm replies: 'Agreed, if you include protective cases at no extra cost.' The supplier replies: 'Confirmed.' Explain whether a contract is likely formed and identify the terms requiring confirmation.

B2 [10 marks]

A customer buys a new kettle described online as '1.7 litre stainless steel'. It holds 1.2 litres and the handle becomes loose after two weeks. Identify relevant consumer rights and a proportionate next step.

B3 [10 marks]

A company director approves a low-cost supplier without asking whether it can meet safety requirements or whether the contract supports long-term operations. Identify two governance/legal concerns and two controls.

B4 [10 marks]

A business discovers that a shared link may have exposed customer names and repair notes to an unintended supplier group. No one yet knows whether the link was opened. State an appropriate response sequence and explain the reporting decision.

C1 [40 marks]

Elmbridge Outdoor Ltd sells portable power banks online. It contracts with Vector Devices Ltd for 2,000 units at £32 each, delivery by 1 May, and a stated 18-month warranty. The signed contract says delivery dates are 'estimated', caps supplier liability at the total contract price, and requires written notice of defects within 10 days of discovery. On 1 May only 1,300 units arrive. Of these, 120 overheat during ordinary charging; 40 customers report minor burns and 15 units damage bags. The remaining 700 arrive 20 May. Elmbridge's customer page said 'safe for everyday travel' and '18-month warranty'. Vector says the overheating was caused by a charger not supplied by Vector; independent tests show overheating with both the supplied charger and two common compatible chargers, but the tests use only 12 units. Elmbridge has not yet notified its insurer or regulator and has kept affected units in stock while investigating. The board approved the deal after reading a one-page price comparison; it did not record a safety review or approve a product recall plan. Identify and analyse the principal contract, consumer, product-safety and governance issues; evaluate immediate options; recommend a proportionate action plan. State material evidence gaps. Assume the parties and consumers are in the UK. Do not assume facts about statutory reporting thresholds or the cause of every incident.