IQM4007

LEVEL 4 · CLOSED BOOK; ALL QUESTIONS COMPULSORY.

INTO QUALIFICATIONS

Business Law and Governance

Final written examination

STAFF ONLY · Staff marking and administration guide

Assessment
IQM4007 A2

Sample set
2026-S

Status
SAMPLE ASSESSMENT

Duration
2 hours

Total marks
100

Release timing
exam release

Administration and delivery

- 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.
- If a formal paper permits legislation or extracts, list them explicitly on the final paper and provide identical copies to all candidates.
- Answer booklet must have 20 MCQ response spaces, four separate 10-mark response areas and one 40-mark extended response area; total allocations must equal 100.
- Markers use the provided key and question rubrics; double-check arithmetic and key transposition before printing.
- Current law, approved syllabus coverage, and institutional examination regulations must be checked before adapting this sample to a formal assessment.

Mark scheme and indicative content

A1 [1 marks]

Correct option: B

A2 [1 marks]

Correct option: A

A3 [1 marks]

Correct option: B

A4 [1 marks]

Correct option: B

A5 [1 marks]

Correct option: A

A6 [1 marks]

Correct option: A

A7 [1 marks]

Correct option: B

A8 [1 marks]

Correct option: A

A9 [1 marks]

Correct option: A

A10 [1 marks]

Correct option: B

A11 [1 marks]

Correct option: A

A12 [1 marks]

Correct option: B

A13 [1 marks]

Correct option: B

A14 [1 marks]

Correct option: A

A15 [1 marks]

Correct option: B

A16 [1 marks]

Correct option: A

A17 [1 marks]

Correct option: A

A18 [1 marks]

Correct option: B

A19 [1 marks]

Correct option: B

A20 [1 marks]

Correct option: B

B1 [10 marks]

The first email is likely an offer if sufficiently certain and intended to be binding. The firm's reply is not an unqualified acceptance: it adds a case condition and is likely a counter-offer. The supplier's 'Confirmed' can amount to acceptance of that counter-offer if context shows assent to the cases and price/delivery remained agreed. A contract is therefore likely formed for 50 tablets at £300 each, delivery by 1 September, with protective cases included. Confirm delivery address, tax, payment, case specification, and any terms incorporated later.

If standard terms were sent later or conflict, incorporation and timing must be analysed rather than assumed.

Question-level allocation — B1 [10 marks]: offer, counter-offer and acceptance 4; application and justified formation conclusion 4; terms requiring confirmation and incorporation 2.

B2 [10 marks]

The mismatch with the stated capacity engages the requirement that goods match their description; a loose handle after two weeks may also indicate that the goods are not of satisfactory quality, assessed against a reasonable person's expectations in light of description, price and circumstances. The customer should preserve the receipt/listing and report the defects to the retailer, asking for the remedy available under the Consumer Rights Act 2015. The short-term right to reject may be relevant within its statutory period; otherwise repair or replacement may be appropriate, with further remedies if those fail or are unavailable.

Exact remedy depends on timing, use and facts. The claim is against the trader, not necessarily the manufacturer.

Question-level allocation — B2 [10 marks]: description and satisfactory quality 4; statutory remedies and timing 3; proportionate next step, trader responsibility and supporting evidence 3.

B3 [10 marks]

The director should make an informed decision and exercise reasonable care, skill and diligence; a material supplier decision without reviewing safety capability or continuity evidence may indicate weak decision process. The board should also consider long-term consequences and relevant stakeholder relationships in its decision-making under the section 172 framework. This does not mean the cheapest supplier is necessarily unlawful; facts about the decision, information available, delegation and risks matter.

Controls: a proportionate supplier due-diligence checklist covering safety, capacity, financial/continuity and references; and a documented approval record with risk owner, contract protections, performance measures and review triggers. For a high-risk supplier, obtain specialist assessment and board-level oversight.

Question-level allocation — B3 [10 marks]: duty of care, skill and diligence 3; section 172 and governance concern 3; two proportionate controls 4.

B4 [10 marks]

Immediately disable or restrict the link, preserve access logs and relevant evidence, and notify the internal incident lead/data-protection contact. Establish what data was involved, how many people/records, who could access it, whether it was accessed, and what containment occurred. Assess risk to individuals' rights and freedoms, document the decision, and consider contractual obligations. If a personal-data breach is likely to risk individuals, notify the ICO without undue delay and, where feasible, within 72 hours after awareness; if high risk, consider communication to affected people without undue delay.

If threshold is not met, retain a reasoned record. Do not assert that a breach definitely occurred or notify automatically without fact/risk assessment.

Question-level allocation — B4 [10 marks]: containment and evidence preservation 3; scope, risk assessment and data-protection analysis 3; reporting/communication decision and recorded rationale 4.

C1 [40 marks]

Issues and rules: Vector's delivery was incomplete on 1 May and the balance was late, but the contract calls dates estimated; whether delay is actionable and what loss follows depends on construction, context, representations and any agreed remedy. The overheating may breach express or implied contractual obligations concerning specification/quality, but the precise business-to-business statutory regime and terms must be checked.

Elmbridge has separate obligations as a retailer to consumers: goods must meet relevant consumer standards, including satisfactory quality and safety, and the product page's safety/warranty statements may affect expectations and representation. The warranty does not remove statutory rights. Product safety requires prompt risk assessment and appropriate corrective action; exact reporting/recall duties depend on the product, harm, supply chain and current rules. Governance: the board approved a safety-sensitive product on price evidence without documented due diligence, risk ownership, or incident planning.

It should record a reasoned response and ensure competent oversight. Application: 40 reports of minor burns and 15 damaged bags are credible harm signals, and tests across 12 units suggest possible failure with more than one charger, but the sample is too small to establish prevalence or root cause. The units should not remain available for sale while this risk is investigated.

Immediate actions: quarantine remaining stock and stop dispatch/sales; preserve batches, complaints, test reports, packaging and supplier communications; obtain competent independent testing across representative samples; notify insurer and seek specialist product-safety/legal advice promptly; identify affected batches and customers; assess whether a customer warning, withdrawal, recall, regulator notification or other action is required under current law. Communicate accurately and avoid stating the cause before evidence.

Notify Vector formally under the contract within the required period, reserve rights, request traceability and engineering records, and seek urgent replacement/refund and contribution to reasonable losses. The 10-day notice clause should be complied with where possible; clarify when Elmbridge discovered each issue and whether notice was sent. The cap may constrain contractual recovery, but construction, enforceability and interaction with any applicable law require review. The £64,000 contract price (2,000 units × £32) is the cap as drafted; liability beyond that should not be assumed recoverable.

The later shipment delay may support proven consequential loss only if foreseeable, caused, mitigated and not excluded/capped. Options: continuing sales is not proportionate given credible injury reports; a narrowly targeted stop-sale/quarantine is immediate and reversible. A full recall may be needed if risk assessment confirms broader danger; decision should be evidence-led and urgent, not postponed pending certainty. Create an incident team with accountable director, safety lead, legal adviser, customer communications, and board oversight. Track units, injuries, contacts, refunds, test results and decisions.

Evidence gaps: full contract and incorporated terms; governing-law and notice provisions; unit/batch denominator; injury details and medical severity; charger use and compatibility; production QC/traceability; sample representativeness and test protocol; customer geography and quantities sold; dates of awareness/notice; costs and mitigation; applicable insurance and regulator reporting rules. Conclusion: pause supply/sales now, investigate and protect customers, then decide scope of warning/withdrawal/recall and contractual remedy on documented evidence.

The board should adopt a product-risk gate requiring safety evidence, accountable sign-off, traceability, complaint escalation, incident plans and post-market review before future launch.

Question-level allocation — C1 [40 marks]: contract performance, notice, warranty and liability cap 8; consumer and product-safety issues 10; governance and board oversight 6; application of evidence and uncertainty 6; immediate action plan and options 8; conclusion and material evidence gaps 2.

Assessment rubric

Criterion	Marks	Marking focus
Section A	20	
Section B	40	
Section C	40	

Standardisation guidance

- Legal outcomes may vary with the contractual terms and missing evidence. Reward accurate issue-rule-application-conclusion reasoning and explicitly conditional conclusions. Do not credit unsupported certainty or invented facts.