

J07

Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

October 2011 examination

SPECIAL NOTICE

Candidates are expected to be aware of the FSA rules and guidance regarding training and competence, conduct of business and complaints handling as contained within the relevant sourcebooks.

Instructions

- Two hours are allowed for this paper.
- **Do not begin writing until the invigilator instructs you to.**
- **Read the instructions on page 3 carefully before answering any questions.**
- Provide the information requested on the answer book and form B.
- You are allowed to write on the inside pages of this question paper, but you must **NOT** write your name, candidate number, PIN or any other identification anywhere on this question paper.
- The answer book and this question paper must **both be handed in personally by you** to the invigilator before you leave the examination room. **Failure to comply with this regulation will result in your paper not being marked and you may be prevented from entering this examination in the future.**

Unit J07 – Supervision in a regulated environment

Instructions to candidates

Read the instructions below before answering any questions

- **Two hours** are allowed for this paper which consists of 15 short answer questions and carries a total of 130 marks.
- You are strongly advised to attempt **all** questions to gain maximum possible marks. The number of marks allocated to each question is given next to the question and you should spend your time in accordance with that allocation.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- You may find it helpful in some places to make rough notes in the answer booklet. If you do this, you should cross through these notes before you hand in the booklet.
- It is important to show all steps in a calculation, even if you have used a calculator.
- If you bring a calculator into the examination room, it must be a silent battery or solar-powered non-programmable calculator. The use of electronic equipment capable of being programmed to hold alphabetic or numerical data and/or formulae is prohibited. You may use a financial or scientific calculator, provided it meets these requirements.
- Answer each question on a new page and leave six lines blank after each question part.

Subject to providing sufficient detail you are advised to be as brief and concise as possible, using note format and short sentences on separate lines wherever possible.

Attempt ALL questions**Time: 2 hours**

1. As a supervisor, you use both direct and indirect supervision for your team. You have recently welcomed back Sarah, a previously competent adviser, following a year's maternity leave.
 - (a) State what is meant by the terms 'direct supervision' and 'indirect supervision'. (2)
 - (b) State and explain briefly which method of supervision is likely to be most appropriate for Sarah. (2)

2. A financial services firm proposes to implement a new risk profiling tool and Susan, a supervisor, is expecting some resistance from her team. She decides to manage the change using Kurt Lewin's strategy.
 - (a) State the **three** steps in Lewin's strategy for managing change. (3)
 - (b) For each step, explain briefly how Susan could manage the team's transition to the new risk profiling tool. (6)
 - (c) State the main criticism of Lewin's model. (1)

3. Other than 'body language' and 'information overload', identify and explain briefly **five** other barriers to effective communication. (10)

4. Carole is a manager with a fast approaching deadline that requires her to instruct the team to undertake a task quickly. She decides to communicate the requirements by holding a team meeting.
 - (a) Identify the style of team meeting best suited to Carole's circumstances. (1)
 - (b) (i) State **three** other styles of team meeting. (3)
(ii) For **each** style identified in part (b)(i) above, state **two** situations most appropriate for its use. (6)

5. New employees are provided with a **principle** statement containing details of the job, salary, hours and start date. They must also receive a **written** statement.
List the information which must be included within the written statement. (7)

6. State the areas that the Financial Services Authority (FSA) Training & Competence rules (and guidance) cover. (7)
7. Individual factors are one of the three key drivers for creating training needs.
- (a) List **two** other factors that will drive the need for training. (2)
 - (b) State what is meant by a 'training gap'. (1)
 - (c) State **five** benefits of carrying out a 'Training Needs Analysis'. (5)
8. Robert, a new adviser, is having difficulty with his sales skills. You are his supervisor and want to help him.
- (a) Explain the **advantages** of using coaching as a means of helping Robert to improve his sales skills. (5)
 - (b) List each stage of a typical directive coaching framework that would be appropriate in this situation. (5)
9. (a) State and explain briefly the **three** stage process of Money Laundering. (6)
- (b) Identify the **three** Money Laundering criminal offences applicable to those involved in advising and processing financial business. (3)
10. Prior to taking over the management of a new team, you are reviewing some Management Information and notice that one of the advisers is struggling with his sales performance. You are keen to establish some possible reasons before meeting him.
- (a) State the **two** types of performance indicators that you would use to assist in determining the root cause of the adviser's lack of performance, and provide an example for each. (4)
 - (b) Identify **three** qualitative key performance indicators and for each, state how it can be used to measure the quality of advice given. (6)
11. Malcolm is a manager keen to develop his staff. He has decided to use a competency based approach to development. He is also concerned to ensure the employees with 'high potential' are retained within the organisation using a talent management approach.
- (a) Define 'competency based development'. (1)
 - (b) Describe briefly the approach Malcolm would take to develop his staff using competency based development. (4)
 - (c) List **four** activities associated with talent management. (4)

Questions continue over the page

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12. (a) List the **three** core principles of the Investors in People (IIP) framework. (3)
- (b) State the **benefits** of achieving an IIP award to the:
- (i) customer; (2)
 - (ii) adviser; (2)
 - (iii) organisation. (3)
13. Outline the **benefits** of National Vocational Qualifications (NVQs). (7)
14. Within your team of financial advisers, one member may require disciplinary action due to underperformance.
- (a) List **four** types of management intervention available to remedy underperformance and for **each** type, state how this could improve performance. (8)
- (b) If unsatisfactory performance continues, state the **three** main objectives of taking disciplinary action. (3)
15. Age discrimination has been unlawful since the Employment Equality (Age) Regulations 2006. List and explain briefly **four** areas directly affected by this legislation. (8)

