



**J07**

**THE CHARTERED INSURANCE INSTITUTE**

**WEDNESDAY 21 OCTOBER 2009**

**DIPLOMA IN FINANCIAL PLANNING  
J07 – SUPERVISION IN A REGULATED ENVIRONMENT**

**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.**
- **Read the instructions overleaf carefully before answering any questions.**
- Fill in 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.**

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**J07 – Supervision in a regulated environment**

**CANDIDATE INSTRUCTIONS**

**READ THE INSTRUCTIONS BELOW BEFORE ANSWERING ANY QUESTIONS**

Two hours are allowed for this paper.

The paper consists of 15 short answer questions and carries a total of 130 marks.

Read carefully the questions and information provided. You are strongly advised to attempt **all** questions to gain maximum possible marks. The number of marks allocated to each question part is given next to the question and you should spend your time in accordance with that allocation.

Any rough notes made in your answer book must be crossed through before you hand it in.

Answer each question on a new page and leave six lines blank after each question part.

**Please ensure that you understand the Special Notice printed in the box on the front page.**

*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. The Key Performance Indicators (KPIs) required to measure the effectiveness of a supervisor of a team of advisers will be very different from those of the advisers themselves.  
  
State **five** KPIs that could be used to measure the effectiveness of a supervisor and, for **each** KPI, explain briefly why that measure would be appropriate. **(10)**
  
2. A supervisor will need to undertake both direct and indirect supervision of advisers within their team.  
  
State **four** circumstances which might necessitate a supervisor undertaking direct supervision. **(4)**
  
3. Dr Stephen Covey is credited with developing the urgent/important matrix.
  - (a) **Draw** the urgent/important matrix, indicating in each box the relationship between urgency and importance. **(6)**
  - (b) Identify which **one** of the relationships in the above matrix Covey states effective people should focus on, giving your reason. **(2)**
  
4. In any organisation there can be individual barriers or organisational barriers to change.
  - (a) State **three** individual barriers to change. **(3)**
  - (b) State **three** organisational barriers to change. **(3)**
  - (c) Explain briefly how understanding these barriers will assist a supervisor in implementing change. **(2)**

5. You are the supervisor of a team of advisers and organised a training event at a team meeting. You arranged for a speaker from a Life Company to give a presentation on a new product the Life Company is launching. The presentation was made in the general office.

You were unable to attend the presentation, but after the meeting the advisers seemed confused and did not have a clear understanding of the product, with the result that they were unlikely to recommend it to their clients. The team gave up valuable time to attend the presentation and you are anxious to ensure that any future training event is more successful.

- (a) State **five** barriers to communication that might have occurred at the presentation and resulted in the presentation being less effective. (5)
- (b) List **five** actions you could take to ensure that any similar presentation is more successful in the future. (5)
6. (a) State and explain briefly **five** styles for managing conflict between a supervisor and their team. (10)
- (b) Conflict can be useful in the workplace. State **two** possible benefits of conflict. (2)
7. The Financial Services Authority (FSA) sourcebook on Training and Competence (T&C) states in TC 2.1.13G that a firm should ensure that maintaining competence for an employee takes into account such matters as:
- technical knowledge and its application;
  - skills and expertise;
  - changes in the market to products, legislation and regulation.
- Explain briefly how competence in the above areas can be assessed by the supervisor for advisers in his team and how this would be documented. (8)
8. As a supervisor you are required to recruit a new member to your team who will already be qualified as a competent adviser. Your firm uses competency based interviews to select potential recruits.
- (a) Explain briefly what is meant by competency based interviewing. (4)
- (b) List the information the candidate would need to state in their responses to give the most effective responses to competency based questions. (5)
- (c) Explain briefly how you would typically assess a candidate's responses in order to determine the potential of that candidate. (3)

9. (a) Define briefly Training Needs Analysis (TNA). (2)
- (b) TNA can benefit both the individual and the business for which they work. List **two** potential benefits which TNA brings to:
- (i) the individual; (2)
- (ii) the business. (2)
- (c) Explain how a TNA can be used to meet Financial Services Authority (FSA) Training and Competence (T&C) requirements, in respect of an individual adviser. (4)
10. You supervise an adviser who does not clarify client needs and objectives sufficiently to gain commitment to proceed.
- (a) State the constituent parts of the GROW model. (4)
- (b) Describe how you could use GROW to coach this adviser. (4)
11. List **six** items, apart from a recap of clients objectives and circumstances, which should be included in a suitability report. (6)
12. As a supervisor you have to conduct a performance review meeting with one of your team.
- (a) State what actions you should undertake in advance of the meeting. (3)
- (b) The adviser's sales figures, though generally good in the past, have been poor of late. List **and** justify the steps you would take during the meeting to address the problem. (8)
13. Key Performance Indicators (KPIs) can be either quantitative or qualitative.
- (a) Apart from file checks and checks of the suitability reports, list **six** other qualitative KPIs that can be used by a supervisor to manage the performance of his team. (6)
- (b) State how satisfactory suitability reports can be used to demonstrate Treating Customers Fairly (TCF) and which TCF outcome would be demonstrated. (3)

14. (a) Describe briefly the main features of variance reports. (4)
- (b) Outline **four** possible benefits of variance reports to supervisors when managing a team. (4)
15. Disciplinary action usually has one of three objectives. State the disciplinary objective, giving your reasons, for **each** of the following scenarios:
- (a) a verbal warning and performance improvement plan for a period of below average performance by an inexperienced adviser; (2)
- (b) dismissal for expenses irregularities; (2)
- (c) final written warning for repeated timekeeping issues. (2)

