

J07

Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

April 2013 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 part 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.
- 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. Describe the essential elements of a supervisory regime for a pre-competent adviser. (6)

2. State and describe **four** of De Bono's six thinking hat roles, and explain how each can be used to help structure a problem solving meeting. (8)

3. (a) State and describe each stage of Lewin's strategy for change management model. (9)
 (b) Identify the main difference between first order change and second order change. (1)

4. (a) State the **six** stages of two way communication. (6)
 (b) Explain **four** disadvantages of one way communication. (4)

5. List **eight** items of company specific information that should be given to all new entrants as part of an effective induction plan. (8)

6. Explain the requirements for an advisor to obtain a Statement of Professional Standing. (5)

7. (a) State and explain briefly the **four** stages of Kolb's Theory of Learning. (8)
 (b) State the key assumptions that underpin Kolb's Theory of Learning. (2)

8. (a) (i) Explain the function of training needs analysis. (1)
 (ii) State the FSA's requirements of a firm in respect of training needs. (4)
 (b) List the **three** main drivers for training needs analysis. (3)

9. You are the line manager for Roger, Mary and Louise. Based on the information provided, explain, giving reasons, whether coaching or counselling is the most appropriate initial action in each case.
 - (a) Roger, who was previously a top performer, has seen his business figures decline in direct comparison to his peers, following his firm's recently introduced fee based investment proposition. (3)
 - (b) Mary has recently been the subject of several upheld complaints regarding her aggressive sales technique. She previously enjoyed an excellent compliance record. You are aware that Mary is experiencing financial difficulties. (3)
 - (c) Louise has recently returned from a long term project secondment and despite retraining her product mix is now heavily weighted towards protection. She previously produced a more balanced mix including investment and pension cases. (3)

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10. Explain and give **one** example for each of the following standards.
- (a) Compliance. (3)
 - (b) Activity. (3)
 - (c) Business Production. (3)
11. Organisations set the goals they wish to achieve.
- (a) State the **three** main areas around which corporate objectives are set. (3)
 - (b) State **three** outcomes with which business strategy is concerned. (3)
12. (a) State **two** aims of career planning. (2)
- (b) Explain how the components of career management, as identified by The Chartered Institute of Personnel and Development, can aid career planning. (8)
13. (a) Describe the differences between NVQs and exam based qualifications. (7)
- (b) State **four** benefits of NVQs. (4)
14. (a) State the **four** key areas across which advisors need to demonstrate their planning skills, in order to gain ISO 22222 accreditation. (4)
- (b) State what ISO 22222 is intended to encourage in respect of the areas identified in (a) above. (4)
15. (a) An important part of a supervisor's role is to deal with any underperformance that arises in their team.
- (i) State what is meant by underperformance. (2)
 - (ii) Provide **two** examples of underperformance. (2)
- (b) List and describe the **four** types of management intervention for underperformance. (8)

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