

## J07

# Diploma in Financial Planning

## Unit J07 – Supervision in a regulated environment

October 2014 examination

### SPECIAL NOTICE

Candidates are expected to be aware of the FCA 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. (a) Identify **three** benefits of appropriate supervision to a regulated business. (3)
- (b) List **six** activities, other than training and coaching, typically undertaken by a supervisor with a CF30 adviser. (6)
2. Outline **four** ways in which a supervisor can impact on an adviser's development. (4)
3. You are the manager of a team of six advisers and are looking to recruit a seventh team member. In your current team Jane is known for her meticulous attention to detail and Brian is an extrovert who motivates the team. You have decided to use the Belbin model to help you decide on the seventh team member.
- (a) State how Belbin would have categorised the roles of:
- (i) Jane; (1)
- (ii) Brian. (1)
- (b) Using the Belbin model, identify **five** other possible team roles which may be suitable to complement the skills of Jane and Brian. (5)
- (c) Explain briefly how the Belbin model can be used by managers to increase the effectiveness of the team. (3)

4. Steve is a member of your team and is showing reluctance to complete mandatory tests on time. Vishnu is struggling to meet the file quality standards. The issues of both Steve and Vishnu are creating conflict between you and them.
- (a) Using the Thomas Kilmann Conflict Mode Instrument, state and explain briefly the most effective strategy of dealing with the above situations for:
- (i) Steve; (2)
- (ii) Vishnu. (2)
- (b) State **two** disadvantages for each of these strategies. (4)
- (c) List the **three** other strategies as identified by Thomas Kilmann. (3)
5. Induction training focuses on **two** key areas.
- (a) Identify these **two** key areas. (2)
- (b) List **four** post-induction course activities that would be appropriate for an inexperienced CF30 adviser. (4)
6. (a) Describe the minimum continuing professional development (CPD) requirements for a financial adviser to meet the Financial Conduct Authority rules. (4)
- (b) State **four** ways in which holding a Statement of Professional Standing evidences professionalism to a customer. (4)
7. (a) List and explain briefly the **four** stages of Kolb’s learning cycle. (8)
- (b) Kolb’s learning cycle can start at any stage.
- Explain briefly **two** other conditions that should be met for effective learning. (2)

QUESTIONS CONTINUE OVER THE PAGE

8. One of your team members, Liz, has a mixed age client bank. However, she is only advising in one need area. She does not accept that she could be advising in other need areas.

You have decided to coach Liz using the GROW model.

- (a) State each stage of the GROW model. (4)
  - (b) (i) State what you would focus on with Liz at each stage of the GROW model. (4)
  - (ii) Identify the **two** key aims of the GROW model. (2)
9. Supervisors use both direct and indirect evidence when assessing advisers.
- State **two** advantages and **two** disadvantages for each of using:
- (a) direct evidence; (4)
  - (b) indirect evidence. (4)
10. In order to ensure that accompanied calls are as effective as possible, state the steps that a supervisor should take:
- (a) before the call; (4)
  - (b) during the call; (3)
  - (c) after the call. (3)
11. Apart from accuracy, list and explain briefly **five** requirements for management information to be effective. (8)

12. Identify and explain briefly the **five** components of career management as described by the Chartered Institute of Personnel and Development. (10)
13. Describe **five** potential benefits of variance reports for a supervisor. (5)
14. You have received two complaints of inappropriate behaviour against one of the advisers that you manage. Based on the ACAS Code of Practice:
- (a) Describe the steps you should take to establish the facts of the case, prior to convening a formal hearing with the employee. (7)
  - (b) Describe the key steps in an appeal process following a formal hearing. (5)
15. Amanda's employer has asked her to cancel her holiday due to a major piece of work within the company. This request was made on two occasions and each time Amanda refused to cancel her holiday. Having worked for the company for 18 years, she has now received a notice of dismissal from her employer.
- (a) Identify how Amanda's dismissal would be categorised under current law. (1)
  - (b) State **eight** other reasons for dismissal which would be categorised in this way. (8)

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