

J07

Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

April 2016 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) State **two** key roles of management when applying 'appropriate methods of monitoring and control' to a CF30 adviser. (2)
- (b) (i) List **six** KPIs that a supervisor could use to monitor the quality of an adviser's performance other than persistency and cancellations. (6)
- (ii) State the key **advantage** of a mystery shopper survey over a one-to-one meeting. (1)
2. Martin is a newly appointed supervisor to a team of experienced and competent advisers. To help establish his position, Martin's line manager has asked him to undertake a presentation to his team on how, as a supervisor, he will help to develop their performance.
- (a) Identify **five** key points that Martin should include in this presentation. (5)
- (b) State the level of supervision that Martin will be applying to his team. (1)
- (c) State the level of supervision that Martin should apply if the advisers were inexperienced. (1)
3. Daria has decided to facilitate a creative thinking workshop using De Bono's 'six thinking hats' model to develop a new product marketing strategy. She has invited a number of key stakeholders:
- Sandra, who undertakes statistical analysis.
 - Brian, who is known to have very strong opinions and is passionate about the product's potential.
 - Abigail, who is responsible for the new marketing campaign.
 - Reena, who is optimistic about the future prospects of the product.
 - Roger, who is critical about the product's low margins and poor return as well as expressing concerns over the potential costs of the new marketing campaign.
- (a) State the colour 'thinking hat' Daria should wear during the workshop. (1)
- (b) Identify who would most naturally wear the 'green hat', and explain the role they would perform in the workshop. (3)
- (c) Roger is unable to attend the workshop.
- State which colour 'thinking hat' is likely to be unrepresented in Roger's absence and explain briefly, **three** qualities Daria should look for in a replacement, in terms of their role in the workshop. (4)

4. (a) State **six advantages** of email as a form of communication. (6)
- (b) State **four disadvantages** of video conferencing, such as Skype, as a form of communication. (4)
5. Joanna recently put forward a new contract proposal to Gerald who responded angrily to the offer. Since the first meeting, Joanna has been trying to contact Gerald to discuss the merits of the offer but he has been avoiding her and not returning any of her calls and emails.
- Applying the Thomas-Kilmann conflict model:
- (a) State **three disadvantages** of Gerald's chosen method of conflict management. (3)
- (b) (i) State **three advantages** of an accommodation strategy. (3)
- (ii) State **three disadvantages** of a collaboration strategy. (3)
- (c) (i) Describe briefly the conditions required to reach a compromise solution. (2)
- (ii) State **two advantages** of this approach, other than saving time. (2)
6. (a) Explain briefly the key differences between 'recruitment' and 'selection'. (2)
- (b) List the key steps in a typical recruitment and selection process. (4)
- (c) State the potential consequences to a business of operating an ineffective recruitment and selection process. (3)
7. (a) State the **two** key areas of focus for induction training. (2)
- (b) State **four** typical activities that would be included in an induction plan specifically for an inexperienced adviser role. (4)

QUESTIONS CONTINUE OVER THE PAGE

8. Hamish is developing a personalised training plan for two new supervisors, Jake and Raksha.

Jake does not like a lack of detailed instructions or being challenged with open-ended and unstructured problems. He also does not respond well to being asked to consider feelings and emotions or being forced into actions without any obvious purpose.

Raksha has a reputation for impatience at training events that feature theoretical training with no obvious relation to her role and no payback on return to work. She also does not like spontaneous activity with no chance to practice, or lengthy training which does not get quickly to the point.

- (a) State the most likely learning style, using Honey and Mumford's theory of learning styles, for:

(i) Jake; (1)

(ii) Raksha. (1)

- (b) Identify **four** training approaches that are most likely to appeal to each of:

(i) Jake; (4)

(ii) Raksha. (4)

9. (a) List **four** methods of validating the effectiveness of training, other than testing and examinations. (4)
- (b) List the **five advantages** of a written test. (5)

10. (a) Explain briefly the purpose of using an observation aid to assess performance. (3)
- (b) Explain briefly the difference between mandatory and non-mandatory points in an observation aid. (2)

11. Outline the **six** Financial Conduct Authority Principles for Businesses that have the most direct impact on the sales process. (6)

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12. (a) List the **three** levels of business planning used in setting corporate objectives. (3)
- (b) State **three** key areas to be considered by senior management when creating a business strategy to achieve corporate objectives. (3)
- (c) List the elements of the SMART individual objective setting system. (5)
13. Identify the **six** key concepts of a total quality management approach. (6)
14. (a) List the areas that the International Standard ISO 9000 covers. (5)
- (b) (i) State a British Standard that relates to managing compliance across the regulated sector. (1)
- (ii) List the key areas that the British Standard in part (b)(i) above covers. (4)
15. (a) List **six** examples of grounds for dismissal that are automatically regarded as unfair, other than those relating to age and sex. (6)
- (b) Explain the role of an employment tribunal. (2)
- (c) State the most common alternative to compensation as a remedy, if an employee is successful at an employment tribunal. (1)
- (d) State the **two** components of a compensation award. (2)

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