

J07

Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

October 2017 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 **five** competencies a supervisor must typically be required to demonstrate. (5)
- (b) State **three** benefits a supervisor brings to a business. (3)

2. Abdul is a supervisor for a team of competent and pre-competent advisers.
 - (a) Identify **six** methods Abdul can use to monitor his advisers' performance. (6)
 - (b) Describe briefly the enhanced level of direct supervision Abdul needs to apply to his pre-competent advisers. (3)

3. You are part of a change project that has chosen to use Kotter's model for leading change methodology. You have already established a sense of urgency and formed a powerful guiding coalition.
 - (a) Identify the next **six** steps to be taken as part of this change management methodology. (6)
 - (b) Describe **one** likely pitfall to be overcome at each step, identified in your answer for **part (a)** above. (6)

4. (a) List **four** key advantages of using phone calls as a form of communication. (4)
- (b) Explain briefly **four** key barriers that are particularly applicable to this form of communication. (4)

5. Diane is working with Chloe on a project, which will lead to a significant increased workload for Chloe and her team. Diane has decided to adopt a position that purely satisfies her own needs and has instructed Chloe to implement the change without further debate.
 - (a) State the Thomas-Kilmann conflict management strategy that Diane is using. (1)
 - (b) (i) Identify **three** advantages of this strategy (3)
 - (ii) Identify **three** disadvantages of this strategy. (3)

6. David is currently putting together a job description and person specification for an experienced financial adviser role covering a wide geographical area.
- (a) Explain briefly the key benefits of having a job description to the recruitment process. (2)
 - (b) (i) Identify **three** essential job specific requirements that need to be included in the person specification. (3)
 - (ii) Identify **six** elements that should be included in all person specifications. (6)
7. Patrick is a financial adviser and has applied for a Statement of Professional Standing (SPS) and aims in the longer term to be a specialist financial adviser.
- (a) Explain briefly the key areas that the SPS evidences. (4)
 - (b) State **five** advisory activities that require specialist or higher level qualifications before Patrick is able to provide advice in these areas to his customers. (5)
8. (a) State the key requirements a regulated firm must consider in order for a training needs analysis (TNA) to be compliant with regulatory guidance. (4)
- (b) List **three** drivers for training needs **and** provide a relevant example for each driver identified. (6)
9. (a) State **five advantages** of completing an observation on an accompanied visit. (5)
- (b) State **four disadvantages** of using an observation on an accompanied visit. (4)

QUESTIONS CONTINUE OVER THE PAGE

10. (a) Explain what is meant by direct evidence in relation to the assessment of advisers. (2)
- (b) (i) State **three advantages** of using direct evidence. (3)
- (ii) State **two disadvantages** of using indirect evidence. (2)
11. (a) State **three** mandatory actions that must be demonstrated by an adviser at the initial contact stage with a client. (3)
- (b) State **five** mandatory actions that must be demonstrated by an adviser at the fact-find completion stage. (5)
12. Explain the regulatory requirements in relation to verifying retail investors, in line with the Money Laundering Regulations 2007. (7)
13. List **eight** key requirements for effective management information, aligned to Treating Customers Fairly regulatory expectations. (8)
14. State the **five** key areas covered by ISO 9000. (5)
15. Explain briefly **six** types of discrimination as defined by the Equality Act 2010, other than direct discrimination. (12)

