



Chartered
Insurance
Institute

J07

Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

April 2019 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 **three** key features of indirect supervision. (3)
- (b) Outline **three** methods of indirect supervision. (3)
2. With reference to Herzberg's hygiene and motivation factors:
- (a) State **six** motivators. (6)
- (b) Define hygiene factors and explain briefly their impact on job satisfaction. (3)
3. (a) Explain the consumer awareness rules that must be followed by authorised firms, in relation to complaints handling. (6)
- (b) State the information authorised firms must report through the GABRIEL online reporting system, **excluding** the total number of complaints broken down by categories. (5)
4. John has been offered a role as a financial adviser by Auden plc, an independent financial advisory firm.
- (a) State the key factors that determine whether John is an employee. (7)
- (b) State **three** characteristics an employed adviser may typically demonstrate. (3)
5. (a) Explain **four** key areas that a firm should consider when designing a Training & Competence (T&C) scheme, **other than** supervision and record keeping procedures. (8)
- (b) State **three** ways in which a Training & Competence scheme assists supervisors to fulfil their duties. (3)

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6. (a) Explain briefly what a training needs analysis is. (2)
- (b) (i) State the differences between organisational and individual training needs. (2)
- (ii) Provide **two** examples of organisational and individual factors that have an impact on training needs. (2)
7. Lisa has arranged a meeting with a member of her team to discuss development needs.
- (a) List **two** benefits of documenting the structured development plan. (2)
- (b) Outline **seven** stages of a structured development plan. (7)
8. Leah works in a call centre and is subject to call monitoring.
- (a) Explain briefly how the call monitoring system will be used by Leah's employer. (5)
- (b) State the purpose of observation aids. (3)
9. (a) State **five** principles that staff performing a 'significant harm' function must adhere to. (5)
- (b) State the purpose of the conduct rules for staff performing a 'significant harm' function. (3)
10. (a) List **seven** examples of sensitive personal data. (7)
- (b) State **two** requirements companies must follow to ensure that individuals understand how their data is processed. (2)

QUESTIONS CONTINUE OVER THE PAGE

11. (a) State the **three** main areas of focus for corporate objectives. (3)
- (b) State the **four** main areas of focus for individual objectives. (4)
- (c) Explain the purpose of Corporate Social Responsibility (CSR) in relation to business strategy. (3)
12. List **six** performance-related key performance indicators (KPIs) for a financial adviser. (6)
13. The Director of a small financial services practice receives detailed management information (MI) which only covers company income and compliance.
- (a) Explain briefly the limitations of this approach. (2)
- (b) State **six** other types of MI the Director should receive. (6)
14. (a) Define unsatisfactory performance. (2)
- (b) Provide **two** examples of unsatisfactory adviser performance. (2)
- (c) List and describe the **four** types of management intervention used to deal with unsatisfactory performance. (8)
15. List **seven** grounds for dismissal that would be deemed automatically unfair, **excluding** sex, age and trade union membership. (7)

