



Chartered
Insurance
Institute

J07

Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

September 2023 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.

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.

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 **four** examples of individual conduct rules that apply only to senior managers. **(4)**

 (b) Define the competent employees rule. **(2)**

2. **(a)** Describe briefly a risk-based approach to supervision. **(3)**

 (b) State **two** circumstances where supervision is likely to be more intense due to a risk-based approach being taken by a manager. **(2)**

3. List the **first six** key steps of Kotter's eight steps to leading change model and provide an example of a potential disadvantage for **each one**. *Your answer must exclude the last two steps: 'consolidate improvements and produce more change' and 'institutionalise new approaches.'* **(12)**

4. State **four** advantages and **four** disadvantages for a business using social media as a method of communication. **(8)**

5. Jacob is a senior manager performing a certified role.

 (a) Identify the **three** key areas that must be assessed when undertaking a fitness and propriety assessment. **(3)**

 (b) State how frequently Jacob's fitness and propriety will be assessed after his initial assessment. **(2)**

6. Identify and define **three** key types of information used to assess training needs, providing an example for **each**. **(9)**

7. Rhona is a team supervisor and is preparing a training and development plan for Morag, one of her team members who wishes to progress in her role.
 - (a) List the **eight** key steps of the plan to help Morag achieve her objective. (8)
 - (b)
 - (i) State **two** ways in which Morag's training and development plan could benefit her employer. (2)
 - (ii) State **four** ways in which the training and development plan could benefit Morag. (4)
8. List and explain briefly the **six** key stages of the financial advice process. (12)
9. State and explain briefly **five** data protection principles of the UK General Data Protection Regulation (GDPR). (10)
10.
 - (a) Explain briefly the purpose of using a balanced scorecard. (4)
 - (b) State **three** measures, other than those related to customers, that typically appear in a balanced scorecard. (3)
11. Identify and describe the **five** stages of the PESOS coaching structure. (10)
12. Jack started his new role six months ago and is due to have his first performance review.
 - (a) Outline **four** benefits for Jack of attending performance reviews. (4)
 - (b) Outline **four** benefits to the company of undertaking performance reviews. (4)

13. (a) State **four** benefits for a firm using competency-based interviewing. (4)
- (b) Identify **four** relevant examples of competency-based questions a candidate may be asked. (4)
14. (a) State **five** key features of an effective management information system. (5)
- (b) Outline the main purpose of RAG ratings. (2)
15. List the **nine** protected characteristics under the Equality Act 2010. (9)

Total: 130