

J07

Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

April 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) State **three** benefits of the supervisory role to a financial services firm. (3)
- (b) Identify **six** key performance indicators that can be used to measure the performance of a supervisor. *Do not include staff retention and team profitability in your answer.* (6)
2. (a) State the **five** life office administration functions which are specified by the Financial Conduct Authority (FCA) Training & Competence (T&C) rules as covered by overseer functions. (5)
- (b) Explain briefly the **four** areas of FCA T&C rules and guidance from which overseers are exempt. (4)
3. (a) Explain briefly the key elements of Herzberg's theory of motivation. (5)
- (b) List **five** motivators identified by Herzberg. (5)
- (c) Explain briefly why Herzberg does not consider salary to be a motivator. (2)
4. (a) Explain briefly the key differences between first-order and second-order change. (2)
- (b) (i) State **four** individual barriers to change. (4)
- (ii) State **four** organisational barriers to change. (4)
5. (a) State **five** benefits to a supervisor of holding regular team meetings. (5)
- (b) Outline **three** advantages of using an interactive meeting style. (3)

6. (a) Describe briefly the Financial Conduct Authority (FCA) consumer awareness rules for complaints that firms should follow. (4)
- (b) State **four** examples of information on complaints handling that firms must report to the FCA on a twice-yearly basis. (4)
- (c) State the timescales that the Financial Ombudsman Service will apply when determining whether it will consider a customer complaint against a firm. (4)
7. Explain briefly **six** key factors that determine whether a financial adviser's employment status is:
- (a) employed; (6)
- (b) self-employed. (6)
8. List **three** benefits of conducting a training needs analysis to the:
- (a) business; (3)
- (b) individual. (3)
9. Janine, an experienced and successful CF30 adviser, is going through a difficult personal situation and is worried that her work performance may start to suffer as a result.
- Clive, Janine's supervisor, wants to offer guidance and support to help Janine find ways to manage her problems using her own resources.
- (a) Identify the most appropriate approach that Clive should adopt to help Janine address her situation. (1)
- (b) State **three** skills that Clive needs to demonstrate to effectively support Janine. (3)
- (c) List **five** actions that Clive should take when supporting Janine. (5)

QUESTIONS CONTINUE OVER THE PAGE

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10. List the **five** components of the career management process, recommended by the Chartered Institute of Personnel and Development. (5)
11. Explain the **six** 'Treating Customers Fairly' outcomes identified by the Financial Conduct Authority. (6)
12. Hussein is the supervisor of a call centre. He is due to have a meeting with John who has had below standard performance results for the last two months and has also repeatedly come in late without explanation.
- (a) Explain briefly the **four** types of management intervention that Hussein should consider using with John, prior to formal disciplinary action. (4)
- (b) State the **three** main objectives of disciplinary action. (3)
13. (a) State the **four** areas covered by the core principle of taking action to improve performance as contained in the Investors in People (IIP) standards framework. (4)
- (b) Explain briefly **two** customer benefits resulting from firms adopting the IIP standards. (2)
14. (a) State **six principles** identified in the Data Protection Act 1998. (6)
- (b) State **six rights** of an individual under the Data Protection Act 1998. (6)
15. (a) State the **five** Financial Conduct Authority expectations that management information must meet in order to be considered effective. (5)
- (b) Explain briefly **two** advantages of using a dashboard or balanced scorecard to present management information to senior management. (2)

