



Chartered
Insurance
Institute

J07

Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

September 2024 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

ENSURE YOU ANSWER EACH QUESTION IN THE CORRECT ANSWER BOX

1. Identify the **four** key elements of a responsibility map that a firm subject to the Senior Managers and Certification Regime (SM&CR) must apply to senior management functions (SMFs). **(4)**

2.
 - (a) Identify **five** key elements of the design stage that forms part of the management control cycle. **(5)**

 - (b) State the next **four** stages of the management control cycle, after the design stage. **(4)**

3. List **four** competencies for people managers and provide **two** examples of how each of these could be evidenced in practice. **(12)**

4. State and provide an example of each of the **five** key needs, according to Maslow's model. **(10)**

5. List and explain briefly **six** key causes of conflict that may occur between team members in the workplace. **(12)**

6. An authorised firm is required to provide 'job-specific' training on the Financial Conduct Authority (FCA) conduct rules, as part of a new employee's induction process.
 - (a) Describe briefly the **two** requirements that an authorised firm must apply to all employees subject to the FCA conduct rules. **(2)**

 - (b) State and explain briefly **two** examples of job-specific training scenarios designed to provide an understanding of the FCA conduct rules relevant to an advisor's role. **(4)**

ENSURE YOU ANSWER EACH QUESTION IN THE CORRECT ANSWER BOX

7. Aoibheann has completed the Honey & Mumford questionnaire and was identified as a theorist.
- (a) State **five** activities that are likely to appeal to Aoibheann. (5)
- (b) State **five** activities that are not likely to appeal to Aoibheann. (5)
8. State **four** advantages and **four** disadvantages of using management information that is indirect evidence as a method of assessing performance. (8)
9. Christine is completing a fact find for Tobias, who is a Politically Exposed Person (PEP). Christine is having difficulty obtaining relevant information from Tobias regarding the source of funds and has concerns about some of the explanations provided.
- (a) State the risks associated when conducting business with a PEP. (2)
- (b) Explain briefly what measures Christine and her employer should take regarding her concerns. (3)
- (c) State the potential consequences for Christine of discussing her suspicion with Tobias. (4)
10. (a) Explain briefly the consumer awareness rules that must be followed by financial services regulated firms, in relation to complaints handling. (7)
- (b) Outline the criteria that must be met for a customer complaint to be resolved informally. (3)
11. (a) Describe briefly the difference between quantitative and qualitative key performance indicators (KPIs). (2)
- (b) State **three** examples of qualitative KPIs. (3)

ENSURE YOU ANSWER EACH QUESTION IN THE CORRECT ANSWER BOX

12. (a) State the **four** Consumer Duty outcomes. (4)
- (b) State the **four** characteristics of vulnerability as identified by the FCA. (4)
13. (a) Identify **three** examples of severe events that firms should consider as part of their operational resilience planning. (3)
- (b) List **six** key actions the FCA expect 'in scope' firms to take when dealing with significant, high impact incidents. (6)
14. State the **three** classifications of misconduct under the ACAS Code of Practice and provide an example for each one. (6)
15. (a) Identify **six** examples of protected characteristics. *Exclude age and disability from your answer.* (6)
- (b) Explain briefly the following types of discrimination and provide **two** examples to illustrate each one.
- (i) Perception discrimination. (3)
- (ii) Discrimination by association. (3)