

Chartered  
Insurance  
Institute

# J07

## Diploma in Financial Planning

Unit J07 – Supervision in a regulated environment

September 2024 Examination Guide

### SPECIAL NOTICES

Candidates entered for the February 2025 examination should study this examination guide carefully in order to prepare themselves for the examination.

Practice in answering the question is highly desirable and should be considered a critical part of a properly planned programme of examination preparation.

## J07 – Supervision in a regulated environment

### Contents

Important guidance for candidates.....	3
Examiner comments.....	8
Question paper.....	11
Model answers.....	15
Glossary of terms.....	22
Test specification.....	23

This PDF document is accessible through screen reader attachments to your web browser and has been designed to be read via the speechify extension available on Chrome. Speechify is a free extension that is available from <https://speechify.com/>. If for accessibility reasons you require this document in an alternative format, please contact us at [online.exams@cii.co.uk](mailto:online.exams@cii.co.uk) to discuss your needs.

---

**Published November 2024**

Telephone: 020 8989 8464

Email: [customer.serv@cii.co.uk](mailto:customer.serv@cii.co.uk)

**Copyright © 2024 The Chartered Insurance Institute. All rights reserved.**

## IMPORTANT GUIDANCE FOR CANDIDATES

The purpose of this Examination Guide is to help you understand how examiners seek to assess candidates' knowledge and their ability to apply this to a case study scenario. You can then use this understanding to help you in your preparation for the examination.

### Before the examination

#### Read the Qualifications Brochure

Details of administrative arrangements and the regulations which form the basis of your examination entry are to be found in the current CII Qualifications Brochure and important notes for candidates, which is *essential reading* for all candidates. It is available online at [www.cii.co.uk](http://www.cii.co.uk).

#### Study the syllabus carefully

This is available online at [www.cii.co.uk](http://www.cii.co.uk). All the questions in the examination are based directly on the syllabus. *You will be tested on the syllabus alone*, so it is vital that you are familiar with it.

The current syllabus is examined from **1 September to 31 August** and includes new areas under the learning outcomes. This is primarily under learning outcome 1 *Understanding the characteristics and role of a manager in financial services*, however, there are further changes under the other learning outcomes. Some of these new syllabus areas are examined as part of this paper. Please refer to the syllabus for further details.

#### Note the assumed knowledge

For the Advanced Diploma in Financial Planning, candidates are assumed to have studied the relevant units of the Diploma in Financial Planning or the equivalent. This knowledge is set out on the relevant syllabus.

#### Read widely

*It is quite unrealistic to expect that the study of a single textbook will be sufficient to meet all your requirements.* There are books specifically produced to support your studies that provide coverage of all the syllabus areas; however, you should be prepared to read around the subject. This is important, particularly if you feel that further information is required to fully understand a topic, or an alternative viewpoint is sought. The reading list which can be found with the syllabus provides valuable suggestions.

#### Make full use of the Examination Guide

This Examination Guide contains a full examination paper and model answers. The model answers show the types of responses the examiners are looking for and which would achieve maximum marks, *however, you should note that there are alternative answers to some question parts which would also gain high marks.* For the sake of clarity and brevity not all of these alternative answers are shown.

This guide and previous Examination Guides can be treated as 'mock' examination papers. Attempting them under examination conditions as far as possible, and then comparing your answers to the model ones, should be seen as an essential part of your exam preparation. The examiner's comments on candidates' actual performance in each question provide further valuable guidance. You can obtain copies of the two most recent examination guides free of charge at [www.cii.co.uk](http://www.cii.co.uk).

### **Know the structure of the examination**

- Assessment is by means of a two-hour on-screen written exam.
- The on-screen written exam is made up of 15 short questions.
- **All** questions are compulsory.
- The exam will carry a total of 130 marks.

### **Appreciate the standard of the examination**

Candidates must demonstrate that they are capable of advising clients *whose overall levels of income and capital require a more sophisticated scheme of investment* than is normally prepared by a level 4 qualified adviser. These clients require a critical appraisal of the various financial planning options available to them.

### **Read the Assessment Information and Exam policies for candidates**

Details of administrative arrangements and regulations which form the basis of your examination entry are available online at <https://www.cii.co.uk/learning/qualifications/assessment-information/>. This is *essential reading* for all candidates.

### **On-screen written exam familiarisation**

The familiarisation test allows you to experience using the assessment platform before your exam. Please note that while there might be slight differences in layout it will give you a good idea of how to navigate and use the platform functionality. This test is for the purpose of familiarisation with the assessment platform only. You can also access past exam papers here: <https://www.cii.co.uk/learning/qualifications/assessment-information/before-the-exam/exam-papers-and-test-specifications/>

You can access the familiarisation test at any time.

<https://www.cii.co.uk/learning/qualifications/assessment-information/on-screen-written-exams-by-remote-invigilation/exam-familiarisation/>

Although based on AF1, this example test is designed for all candidates and while there might be slight differences in layout it will give you a good idea of how to navigate and use the platform functionality.

**We strongly advise that you try the demonstration test once you have received your login details and well in advance of the actual exam day.**

**Please note you are strongly advised not to use a laptop provided by your employer.**

Laptops and IT equipment provided by your employer typically include security protocols that conflict with any remote invigilation software. You should also avoid using a corporate Wi-Fi or any other internet connection that may include firewalls that you cannot personally control.

- From the familiarisation test, ensure you can scroll right and see the whole screen. Ensure your screen resolution shows all the features including the button to return back to your answers to **edit** them. To return to edit any answer you have already typed, you must press 'Answer' for the question you are already in otherwise it will not let you select a previous question you have answered to edit.

Chartered Insurance Institute

Prev Nav Next Clear Highlight

Tools Calculator End Test 174:27

AF1 October 2019

SECTION A

This question is compulsory and carries 80 marks

Question 1

Read carefully all information provided in the case study before attempting the questions. Your answers should take into account the client's circumstances as set out in the case study. Please carry out ALL of the tasks (a), (b), (c), (d) and (e) which follow.

Andrew, aged 63, a higher rate taxpayer has two adult children, Lance and Hayley. Lance is a basic rate taxpayer and Hayley is a non-taxpayer. Hayley needs regular care as a result of the injuries she suffered in a motor accident when she was a child. Lance has two young children both under the age of 10.

Andrew's mother, Peggy, a widow, died on 1 March 2019 leaving her entire estate to Andrew. Peggy inherited her Aunt's estate of £400,000 in February 2016 following the payment of £30,000 Inheritance Tax (IHT) that was due following the administration of her estate.

Peggy's estate was comprised of the following on her death:

House	£700,000
Deposit accounts	£323,000
Cash ISAs	£55,000
FTSE listed shares	£150,000
Collective investment portfolio	£101,000
Personal Pension nominated to a discretionary trust	£326,000

Peggy's husband Frank, died in 2016, leaving his share of their house and his residual estate to Peggy. Frank made only one gift in the seven years before he died. He settled £450,000 into a discretionary trust just under four years earlier. Inheritance Tax (IHT) of £23,800 was paid at outset by the trustees. Following Peggy's death, Andrew is the only remaining trustee.

Andrew is in discussions with his solicitors to draft a Will and they have suggested he arrange a Lasting Power of Attorney (LPA) for Property & Financial Affairs.

Andrew intends to make some provision for his children and grandchildren. His income is around £10,000 a year higher than his outgoings. He has a variety of savings accounts and an onshore life assurance bond invested in a managed fund which has performed well over the years.

To gain maximum marks for calculations you must show all your workings and express your answers to two decimal places.

1. (a) Calculate, showing all your workings, the IHT due as a result of Peggy's death on the 1 March 2019. (13)

« Inf01 Inf02 Inf03 **1a** 1b 1c 1d 1e Inf04 2a 2b 2c 2d 2e Inf05 3a 3b 3c Inf06 »

Flag Edit

This question has been answered. Click here to enable you to edit your answer.

- Tax tables are **NOT** provided for J07. So only the question paper will appear on the right-hand side of the interface. Tax tables will only appear in the demo test and not the 'live' exam.

Chartered Insurance Institute

Prev Nav Next Clear Highlight

Tools Calculator End Test 164:16

AF1 October 2019

**INCOME TAX**

RATES OF TAX

	2018/2019	2019/2020
Starting rate for savings*	0%	0%
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	45%	45%
Starting-rate limit	£5,000*	£5,000*
Threshold of taxable income above which higher rate applies	£34,500	£37,500
Threshold of taxable income above which additional rate applies	£150,000	£150,000

Child benefit charge:  
1% of benefit for every £100 of income over

	£50,000	£50,000
--	---------	---------

\*not applicable if taxable non-savings income exceeds the starting rate band of £5,000.

Dividend Allowance

Dividend tax rates	£2,000
Basic rate	7.5%
Higher rate	32.5%
Additional rate	38.1%

Trusts

Standard rate band	£1,000
Rate applicable to trusts	
- dividends	38.1%
- other income	45%

MAIN PERSONAL ALLOWANCES AND RELIEFS

	£100,000	£100,000
Income limit for Personal Allowance †	£100,000	£100,000
Personal Allowance (basic)	£11,850	£12,500
Married/civil partners (minimum) at 10% †	£3,360	£3,450
Married/civil partners at 10% †	£8,695	£8,915
Marriage Allowance	£1,190	£1,250
Income limit for Married Couple's Allowance †	£28,900	£29,600
Rent a Room scheme – tax free income allowance	£7,500	£7,500

With regard to the discretionary trust established by Frank:

1. (b)(i) Explain to Andrew why IHT was payable when assets were placed into the trust and how it was calculated. No calculation is required. (6)

« Inf01 Inf02 Inf03 **1a** **1b** 1c 1d 1e Inf04 2a 2b 2c 2d 2e Inf05 3a 3b 3c Inf06 »

Flag Clear

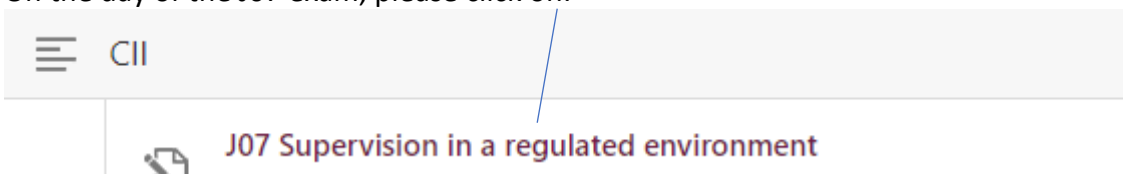
3. Once you have typed in your answer ensure you click the red 'Answer' box, this will save your answer and move you onto the next question. Unless you press 'Answer', you will not be permitted to move onto other questions. Furthermore, please do not type all of your answers for every question into the answer space for Q1a. You should familiarise yourself with all questions prior to starting the exam.

The screenshot shows the Chartered Insurance Institute exam interface. At the top left is the CII logo and navigation buttons: 'Prev', 'Nav', 'Next', and 'Clear Highlight'. At the top right are 'Tools', 'Calculator', 'End Test', and a timer showing '158:41'. The question text is partially visible, with three parts: (i) calculated. No calculation is required. (6), (ii) Describe to Andrew why IHT was payable when his father died and how it was calculated. No calculation is required. (8), and (iii) State Andrew's duties as a trustee under the Trustee Act 2000. (12). Below the question is a text editor with a rich text toolbar. A red 'Answer' button is located at the bottom left of the text editor. To the right of the text editor is a table titled 'AF1 October 2019 INCOME TAX'.

AF1 October 2019		
INCOME TAX		
RATES OF TAX	2018/2019	2019/2020
Starting rate for savings*	0%	0%
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	45%	45%
Starting-rate limit	£5,000*	£5,000*
Threshold of taxable income above which higher rate applies	£34,500	£37,500
Threshold of taxable income above which additional rate applies	£150,000	£150,000
Child benefit charge:		
1% of benefit for every £100 of income over	£50,000	£50,000
*not applicable if taxable non-savings income exceeds the starting rate band of £5,000.		
Dividend Allowance		£2,000
Dividend tax rates		
Basic rate		7.5%
Higher rate		32.5%
Additional rate		38.1%
Trusts		
Standard rate band		£1,000
Rate applicable to trusts		
- dividends		38.1%
- other income		45%
MAIN PERSONAL ALLOWANCES AND RELIEFS		
Income limit for Personal Allowance §	£100,000	£100,000
Personal Allowance (basic)	£11,850	£12,500
Married/civil partners (minimum) at 10% †	£3,360	£3,450
Married/civil partners at 10% †	£8,695	£8,915
Marriage Allowance	£1,190	£1,250
Income limit for Married Couple's Allowance*	£28,900	£29,600
Rent a Room scheme – tax free income allowance	£7,500	£7,500

At the bottom of the interface is a question navigation bar with buttons for 'Inf01', 'Inf02', 'Inf03', '1a', '1b', '1c', '1d', '1e', 'Inf04', '2a', '2b', '2c', '2d', '2e', 'Inf05', '3a', '3b', '3c', 'Inf06'. The '1b' button is highlighted in red. To the right of the navigation bar are 'Flag' and 'Clear' buttons.

4. On the day of the J07 exam, please click on:



5. The above screenshot shows the point before the exam has started; you may wish to take this moment at this screen to jot down any notes on paper that may assist you during the exam. Please note the exam timer will not start until you click the exam titled: **J07 Supervision in a regulated environment**.

## In the examination

### The following will help:

#### Spend your time in accordance with the allocation of marks:

- The marks allocated to each question part are shown on the paper.
- If a question has just two marks allocated, there are likely to be only one or two points for which the examiner is looking for, so a long answer is wasting valuable time.
- Conversely, if a question has 12 marks allocated, a couple of lines will not be an adequate answer. Always remember that if the paper is not completed, your chances of passing will be reduced considerably.
- Do not spend excessive time on any one question; if the time allocation for that question has been used up, leave some space, go on to the next question and return to the incomplete question after you have completed the rest of the paper, if you have time. You can use the flag button to indicate which questions are incomplete.

#### Take great care to answer the question that has been set

- Many candidates finish the examination confident that they have written a 'good' paper, only to be surprised when they receive a disappointing result. Often, the explanation for this lies in a failure to think carefully about what the examiner requires before answering.
- Highlighting key words and phrases is a technique many candidates find useful.
- The model answers provided in this Examination Guide would gain full marks. Alternative answers that cover the same points and therefore answer the question that has been asked would also gain full marks.

#### Tackling questions

Tackle the questions in whatever order feels most comfortable. Generally, it is better to leave any questions which you find challenging until you have attempted the questions you are confident about. Candidates should avoid mixing question parts, (for example, 1(a)(i) and (ii) followed by 2(b)(ii) followed by 1(e)(i) as this often leads to candidates unintentionally failing to fully complete the examination paper. This can make the difference between achieving a pass or a narrow fail.

It is vital to label all parts of your answer correctly as many questions have multiple parts to them (for example, question 1(a) may have parts (i), (ii) and (iii)). Failure to fully distinguish between the separate question parts may mean that full credit cannot be awarded. It is also important to note that a full answer must be given to each question part and candidates should not include notes such as 'refer to answer given in 1(b)(i)'.

#### Answer format

Unless the question requires you to produce an answer in a particular format, such as a letter or a report, you should use 'bullet points or short paragraphs. The model answers indicate what is acceptable for the different types of question.

Where you are asked to perform a calculation, it is important to show **all** the steps in your answer. The majority of the marks will be allocated for demonstrating the correct method of calculation.

Marks are not lost due to poor spelling or grammar.

## EXAMINERS' COMMENTS

### Candidates' overall performance:

#### Question 1

This question examined the elements of a responsibility map, with regards the requirements of the Senior Managers and Certification Regime (SM&CR). It was generally not addressed to a good standard and candidates found some areas challenging, for example, identifying relevant responsibilities and the distinctions between certified and SMF roles.

#### Question 2

Part (a) of this question focused on the key elements of the design stage, however it was not answered well by candidates. Whilst some candidates were able to identify the overall aims of the plan, relatively few were able to identify the performance standards required and the requirement to have an action plan in place.

Candidates performed better on part (b), which tested the next four stages of the management control cycle, after the design stage.

#### Question 3

Some candidates were able to identify the competencies for people managers, but did not provide many relevant examples of how these could be evidenced in practice.

#### Question 4

This question required candidates to state and provide an example of each of the five key needs, according to Maslow's model and was well answered by the majority of candidates.

#### Question 5

This question tested knowledge and understanding of conflict management in the workplace. Whilst some candidates were able to list and explain briefly "competition" and "values and personal chemistry" as key causes of conflict that may occur between team members in the workplace", relatively few were able to identify other causes, such as "goals" and "methods".

#### Question 6

Part (a) tested the two requirements that an authorised firm must apply to all employees subject to the FCA conduct rules. It was generally not addressed to a good standard, with a high proportion of the candidates achieving less than half the marks available.

Candidates performed better on part (b) however many candidates were only able to provide a single example of a job-specific training scenario designed to provide an understanding of the FCA conduct rules relevant to an advisor's role.



### Question 7

This question tested knowledge of the Honey & Mumford learning styles. Whilst some candidates performed well overall, in part (a) several candidates did not identify activities appealing to a theorist, such as being given time to explore ideas and being given opportunities to question the logic. In part (b) some candidates did not identify activities that did not appeal to a theorist, such as a lack of detail in the instructions and being forced into action without an obvious purpose.

### Question 8

This question required candidates to state advantages and disadvantages of using management information that is indirect evidence as a method of assessing performance. It was addressed reasonably well, however some candidates found identifying disadvantages challenging.

### Question 9

The question tested knowledge of the risks, measures and potential consequences of dealing with a customer who is a Politically Exposed Person (PEP). This was addressed to a good standard, with candidates evidencing practical experience of this syllabus area.

### Question 10

Many candidates did not provide sufficient detail on part (a) regarding the consumer awareness rules that must be followed by financial services regulated firms, in relation to complaints handling. In some instances, the requirements of the question were misunderstood, with some of the answers focused on the timescales of dealing with complaints.

Candidates performed much better on part (b) which tested the criteria required to resolve a customer complaint informally.

### Question 11

Part (a) tested the difference between quantitative and qualitative key performance indicators (KPIs). It was generally not addressed to a good standard, with a high proportion of the candidates achieving less than half the marks available.

In part (b) some candidates were able to provide examples of qualitative key performance indicators (KPIs), such as “outcomes from compliance reviews of advice and reports” and “customer feedback”.

### Question 12

Part (a) of this question tested the four consumer duty outcomes and was answered to a reasonable standard.

Part (b) tested the four characteristics of vulnerability as identified by the FCA. This was well answered with some candidates achieving all the marks available.

### Question 13

Part (a) of the question required examples of severe events that firms should consider as part of their operational resilience planning. Most candidates were able to provide at least two valid examples.

Part (b) of this question required candidates to list key actions the FCA expect 'in scope' firms to take when dealing with significant, high impact incidents. Whilst candidates articulated plans in actions, in some instances they did not provide specific enough details regarding the actions that were required.

### Question 14

Candidates performed reasonably well on this question that tested classifications of misconduct under the ACAS Code of Practice, but the required examples did not correspond in all instances to the relevant classifications.

### Question 15

Part (a) required candidates to identify examples of protected characteristics and candidates performed well. This is a well-established area of the syllabus, and candidates were expected to display a working knowledge.

Candidates performed less well on parts (b)(i) and part (b)(ii) that tested perception discrimination and discrimination by association. Some of the candidates found discrimination by association particularly challenging.

## Unit J07 – Supervision in a regulated environment

### Instructions to candidates

Read the instructions below before answering any questions

All questions in this examination are based on English law and practice applicable in the tax year 2024/2025, unless stated otherwise in the question, and should be answered accordingly. It should be assumed that all individuals are domiciled and resident in the UK unless otherwise stated.

If you are sitting via remote invigilation, please

- Write down the following number +44 (0)80 8273 9244 this is the number to use if your system freezes or you get forced out of your exam. It is fine to phone it if you have these issues.
- Show your ID to the camera now, if you did not do so during the ID checks.
- Show the edge of your screen with a mirror if you did not do this during the room scan.
- Show any blank sheets of paper for notes, if you did not show both sides to the camera during the room scan.

If you are sitting in a test centre and encounter a problem please alert the invigilator.

For candidates sitting via remote invigilation or at a test centre

- 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.
- For each answer, please type in the full question number you are answering e.g., 1a
- **Please note each answer must be typed in the correct corresponding answer box**
- **If you are wearing headset, earphones, smart watch please take them off. No watches permitted.**
- Please familiarise yourself with all questions before starting the exam.

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)

**NOTE ON MODEL ANSWERS**

The model answers given are those which would achieve maximum marks. However, there are alternative answers to some question parts which would also gain high marks. For the sake of clarity and brevity not all of these alternative answers are shown. An oblique (/) indicates an equally acceptable alternative answer.

**Model answer for Question 1**

- Name the individuals within each role.
- State whether the role is a certified role and/or an SMF role.
- Clearly show the responsibilities of each role/individual.
- Detail the reporting lines.

**Model answer for Question 2**

- (a)
- The overall aims of the plan.
  - The key objectives that have to be achieved.
  - The key tasks that need to be carried out to achieve these objectives.
  - The performance standards required.
  - The action plan specifying exactly what is to be done.
- (b)
- Implement/put the plan in operation.
  - Monitor the plan results.
  - Evaluate the results against the plan.
  - Put in place any corrective action if required.

### Model answer for Question 3

- **Personal effectiveness.**
- Striving for excellence.
- Taking initiative.

*Candidates would have gained full marks for any three of the following:*

- **Working with others.**
- Customer focus.
- People focus.
- Building understanding and trust.
- Influencing skills.

*Candidates would have gained full marks for any three of the following:*

- **Creating solutions.**
- Seeking information.
- Understanding issues.
- Problem solving.

*Candidates would have gained full marks for any three of the following:*

- **Managing the team.**
- Leadership.
- Communication.
- Maintaining compliance standards.
- Managing performance.
- Developing others.

### Model answer for Question 4

- **Physiological.**
- Food/shelter/housing/clothing.
- **Security and safety.**
- Working conditions/savings/insurance/physical safety.
- **Social.**
- Belonging to a group/need for affiliation.
- **Self-esteem.**
- Be respected.
- **Self-actualisation.**
- Desire to achieve potential.



**Model answer for Question 5**

*Candidates would have gained full marks for any twelve of the following:*

- **Leadership style/power.**
- Inappropriate management style, 'passing the buck', coercion etc.
- **Responsibilities.**
- Disagreement about 'who does what'/job roles are not clear/there is an overlap of job roles.
- **Competition.**
- Rivalry between people/the perceived fairness of the situation/willingness to win at all costs.
- **Goals.**
- Are team and individual roles aligned and stated clearly.
- **Information.**
- Conflict may well occur where one party does not have full information where information is misinterpreted/where information does not exist in the first place.
- **Methods.**
- The way an individual approached something can be very different from the approach adopted by someone else.
- **Values or personal chemistry.**
- There can be differences in people's behaviour and values and one individual may do something that another would not regard as appropriate.

**Model answer for Question 6**

- (a)
- The relevant staff must receive notification that the rules apply to them.
  - Steps must be taken to ensure the employee understands how they apply to them.
- (b)
- An example may be provided of advice that could be deemed unsuitable.
  - For example, failing to consider and account for a customer who may be deemed vulnerable/any other relevant example.
  - Providing terms and conditions to customers which are not clear and easy for a customer to understand.
  - For example, not detailing key exclusions, charges etc within the cost of advice.

**Model answer for Question 7**

**(a) Activities that are likely to appeal to Aoibheann**

*Candidates would have gained full marks for any five of the following:*

- Activities involving systems/models/concepts/theories.
- Being given time to explore ideas/events/situations.
- Being given opportunities to question the logic/check details.
- Structured situations with clear goals.
- Well-argued/watertight ideas.
- Complex situations that may not always have obvious relevance.

**(b) Activities that are not likely to appeal to Aoibheann**

- Being forced into action without an obvious purpose.
- Being asked to consider feelings/emotions.
- Open-ended/unstructured problems.
- Lack of detail in the instructions.
- Gimmicks that make one feel out of tune with other learners.

**Model answer for Question 8**

**Advantages**

- It can provide a third-party perspective.
- Cheaper/more convenient than direct evidence/can be obtained quickly.
- Allows trends to be identified.
- Allows peer/team comparison.

**Disadvantages**

- May be inaccurate/less reliable.
- May need to be interpreted.
- Does not evidence conduct.
- Depends on quality.

**Model answer for Question 9**

- (a)
  - Bribery/Corruption risk.
  - Money laundering risk.
  
- (b)
  - Christine must report her suspicion;
  - to the Money Laundering Reporting Officer (MLRO).
  - The MLRO will report to the National Crime Agency (NCA) if appropriate.
  
- (c)
  - She would be guilty of the “tipping off” offence.
  - Up to five years’ imprisonment.
  - A fine.
  - This may also lead to an inability of obtaining future employment in the regulated sector/could lead to dismissal from employment.

**Model answer for Question 10**

- (a)
  - Publish summary details of their internal process of dealing with complaints promptly and fairly.
  - Refer/provide eligible complainants to this summary;
  - in writing at the point of sale;
  - or immediately after.
  - Provide summary details to eligible complainants;
  - on request;
  - when acknowledging a complaint.
  
- (b)
  - Resolution within 3 business days of receipt.
  - Complainant must be willing to accept the resolution, but not necessarily in writing.
  - A summary resolution communication must be sent.

**Model answer for Question 11**

- (a)
  - Quantitative KPIs are objective and are likely to be easier to measure.
  - Qualitative KPIs are more subjective and can be harder to measure.
  
- (b) *Candidates would have gained full marks for any three of the following:*
  - Completion and quality of CPD completed/exam results.
  - Quality of customer reviews.
  - Outcomes from compliance reviews of advice and reports.
  - Customer feedback.
  - Observations/role play.

**Model answer for Question 12**

- (a)
- Products and services.
  - Consumer support.
  - Consumer understanding.
  - Price and value.
- (b)
- Health.
  - Life events.
  - Resilience.
  - Capability.

**Model answer for Question 13**

- (a) *Candidates would have gained full marks for any three of the following:*
- Cyber security incident.
  - War/civil unrest.
  - Pandemic.
  - Terrorist attack.
  - Fire/severe building damage.
  - Any other relevant example.
- (b)
- Identify important business services.
  - Set impact tolerances.
  - Carry out mapping and testing.
  - Conduct lessons learned exercises.
  - Develop communication plans.
  - Prepare self-assessment documentation.

**Model answer for Question 14**

- **Minor misconduct.**
- Excessive internet use on a company computer/being late for work/failing to keep company property in reasonable condition.
- **Serious misconduct.**
- Drinking in the workplace/swearing in the workplace/failure to follow a reasonable request from a manager.
- **Gross misconduct.**
- Fraud/theft/wilful damage violence against another employee.

**Model answer for Question 15**

**(a)** *Candidates would have gained full marks for any six of the following:*

- Gender reassignment.
- Marriage/civil partnership.
- Pregnancy/maternity.
- Race.
- Religion/belief.
- Sex.
- Sexual orientation.

**(b) (i)** *Candidates would have gained full marks for any three of the following:*

- Direct discrimination against an individual because they possess a particular protected characteristic.
- Overlooked for a role because they look too young/old.
- Not recruited/promoted because they are thought to be gay.
- Any other relevant example.

**(ii)** *Candidates would have gained full marks for any three of the following:*

- Direct discrimination against someone because they are associated with another person who possesses a protected characteristic.
- Overlooked for promotion because they are looking after a disabled relative.
- Not recruited due to a disabled child/partner.
- Any other relevant example.

## Glossary of terms

*Some abbreviations candidates can you use in financial planning online exams:*

1. CPD – Continuing professional development
2. KPI – Key performance indicators
3. GDPR – General data protection regulation
4. FOS – Financial ombudsman service
5. FSCS – Financial Services Compensation Scheme
6. SM&CR – Senior Managers and Certification Regime
7. SoR – Statement of Responsibilities

## September 2024 Examination - J07 Supervision in a regulated environment

Question Number	Syllabus learning outcomes being examined	
1.	1.3	How the role of the manager fits into the organisation overall.
2.	8.1	How individual and corporate objectives are set.
3.	1.2	The key functions and responsibilities of businesses and senior management.
4.	2.3	Motivational models, Herzberg and Maslow.
5.	3.3	Techniques to aid business communication and conflict management e.g. Thomas-Kilmann.
6.	4.5	What constitutes a suitable induction plan.
7.	5.1	Theories of learning e.g. Kolb, Honey and Mumford.
8.	6.3	The key features of assessing performance.
9.	7.4	Financial crime prevention and data protection legislation and regulations.
10.	7.5	Regulatory requirements and appropriate methods for complaints handling.
11.	8.2	How performance is measured.
12.	9.1	Key elements of management information, linking management information to evidence a firm delivers good customer outcomes.
13.	9.4	Operational resilience.
14.	10.2	The different levels of misconduct.
15.	10.5	Relevant aspects of the law on equal opportunities, discrimination, disability and human rights.