



## Higher National Unit specification: general information

This Graded Unit has been validated as part of the HND Financial Services. Centres are required to develop the assessment instrument in accordance with this validated specification. Centres wishing to use another type of Graded Unit or assessment instrument are required to submit proposals detailing the justification for change for validation.

**Graded Unit title:** Financial Services: Graded Unit 2

**Graded Unit code:** H0Y3 35

**Type of Graded Unit:** Examination

**Assessment Instrument:** Examination (open-book)

**Publication date:** September 2015

**Source:** Scottish Qualifications Authority

**Version:** 02

## Unit purpose

This Graded Unit is designed to provide evidence that the candidate has achieved the following principal aims of the HND Financial Services:

- ◆ Developing candidates' knowledge of the financial services industry, its participants and products
- ◆ Developing the candidates' critical, analytical and interpretative abilities
- ◆ Developing an understanding of complex issues relating to the financial services industry

## Recommended prior knowledge and skills

It is recommended that the candidate should have completed or be in the process of completing the following Units relating to these specific aims prior to undertaking this Graded Unit:

<i>Financial Services Regulatory Framework</i>	H0BW 35
<i>Income Tax</i>	F86X 35
<i>Investment</i>	H9AM 35*
<i>Pension Provision</i>	H9NC 35*
<i>Principles of Insurance</i>	H9ND 35*

## **General information (cont)**

### **Credit points and level**

1 Higher National Unit credit at SCQF level 8: (8 SCQF credit points at SCQF level 8\*)

*\*SCQF credit points are used to allocate credit to qualifications in the Scottish Credit and Qualifications Framework (SCQF). Each qualification in the Framework is allocated a number of SCQF credit points at an SCQF level. There are 12 SCQF levels, ranging from Access 1 to Doctorates.*

### **Core Skills**

There are no Core Skills embedded in this Graded Unit specification.

### **Assessment**

This examination-based Graded Unit is an open-book examination. It will consist of an examination of three hours duration.

The assessment exemplar for this Unit provides assessment and marking guidelines that exemplify the national standard for achievement. It is a valid, reliable and practicable instrument of assessment. Centres wishing to develop their own assessments should refer to the assessment exemplar to ensure a comparable standard. Assessment exemplars are available on SQA's secure website.

## **Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates**

**Graded Unit title:** Financial Services: Graded Unit 2

### **Conditions of assessment**

The assessment is based on an open-book examination lasting three hours.

If a candidate does not achieve a pass or if a candidate wishes to upgrade, this must be based on a significantly different examination from that given originally. A candidate's grade will be based on his/her achievement on the new assessment event using a significantly different examination, if this results in a higher grade.

The examination should be unseen and the assessment should be conducted in controlled and invigilated conditions.

The candidate will be expected to answer examination questions with the aid of reference and/or source materials. These may include either recommended textbooks or notes prepared by the candidates. Candidates are also permitted to use only non-programmable calculators.

At all times, the security, integrity and confidentiality of examinations must be ensured.

### **Instructions for designing the assessment task**

The examination should be designed to assess the candidate's critical knowledge and understanding of the topics relating to the specific aims which this Graded Unit is designed to cover. The questions and corresponding marks should be designed in accordance with the ranges indicated in the table that follows. However, the overall total mark for the examination is 100.

## Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)

**Graded Unit title:** Financial Services: Graded Unit 2

Key topics	Level of demand	Percentage weighting for each topic
Income Tax <ul style="list-style-type: none"> <li>◆ UK Income Tax system</li> <li>◆ PAYE</li> <li>◆ Taxable Income</li> <li>◆ Benefits in kind</li> <li>◆ Application of Personal Allowances</li> </ul>	Analysis, calculation, recalling, explaining	20-30%
Investment <ul style="list-style-type: none"> <li>◆ Calculations relating to gilts yields or purchase consideration</li> <li>◆ Calculations relating to rights or bonus issues, or investor ratios</li> <li>◆ Stock market operations</li> <li>◆ Stock market participants</li> <li>◆ Methods of issuing shares</li> <li>◆ Shareholder information</li> </ul>	Analysis, calculation, recalling, explaining	10-20%
Pension Provision <ul style="list-style-type: none"> <li>◆ State pension provision</li> <li>◆ Inland Revenue benefits and limits</li> <li>◆ The operation of employer run occupational schemes</li> <li>◆ The operation of additional contributions</li> <li>◆ The operation of non-standard pension schemes</li> </ul>	Analysis, calculation, recalling, explaining	20-30%
Principles of Insurance <ul style="list-style-type: none"> <li>◆ Type, scope, function or purpose of insurance</li> <li>◆ Insurance products</li> <li>◆ Matching protection needs to products</li> <li>◆ Life Policy features</li> </ul>	Analysis, calculation, recalling, explaining	20-30%

## Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)

**Graded Unit title:** Financial Services: Graded Unit 2

Key topics	Level of demand	Percentage weighting for each topic
Financial Services - Regulatory Framework <ul style="list-style-type: none"> <li>◆ Role, powers, functions and responsibilities of FSA</li> <li>◆ Risk monitoring</li> <li>◆ Authorisation</li> <li>◆ FSA Business Standards</li> <li>◆ Controlled and Significant Influence Functions</li> <li>◆ Treating Customers Fairly</li> <li>◆ Investor Documentation</li> <li>◆ Prevention of financial crime</li> <li>◆ Complaints and Compensation schemes</li> </ul>	Analysis, calculation, recalling, explaining	10-20%

The examination will be marked out of 100. Assessors will aggregate the marks achieved by the candidate to arrive at an overall mark for the examination. Assessors will then assign a grade to the candidate for this Graded Unit based on the following grade boundaries:

- ◆ A = 70%–100%
- ◆ B = 60%–69%
- ◆ C = 50%–59%

## Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)

**Graded Unit title:** Financial Services: Graded Unit 2

### Guidance on grading candidates

Candidates who meet the minimum Evidence Requirements will have their achievement graded as a C (competent), A (highly competent), or B (somewhere between A and C). The grade related criteria to be used to judge candidate performance for this Graded Unit is specified in the following table:

Grade A	Grade C
<p>Is a seamless, coherent piece of work or exam script which consistently:</p> <ul style="list-style-type: none"> <li>◆ Explicitly addresses the main elements of the question</li> <li>◆ Shows consistent and precise use of relevant terminology</li> <li>◆ Has a logical structure and is clearly and coherently expressed</li> <li>◆ Shows the candidate can perform calculations in a logical manner to the required level of accuracy</li> <li>◆ Demonstrates a detailed knowledge of the subject areas within the award.</li> </ul>	<p>Is a co-ordinated piece of work or exam script which:</p> <ul style="list-style-type: none"> <li>◆ Shows recognition of the main elements of the question</li> <li>◆ Uses relevant terminology but in a vague manner</li> <li>◆ Has a lack of coherent structure</li> <li>◆ Shows the candidate can perform calculations in a competent manner</li> <li>◆ Demonstrates understanding of the subject areas within the award</li> </ul>

### Support notes

This part of the Unit specification is offered as guidance. The support notes are not mandatory. While the exact time allocated to this Unit is at the discretion of the centre, the notional design length is 40 hours.

As well as having a three hour examination, the Unit includes notional study time to allow candidates to prepare for the examination. Much of the time in this Unit will be taken up in preparation for the examination both in revising the material covered in the relevant Financial Services Units and also in improving examination technique.

The main purpose of the Financial Services: Graded Unit 2 is to assess the candidate's ability to apply knowledge based on the Financial Services Units specified under the **Recommended prior knowledge and skills** in this Graded Unit specification. Centres should make every attempt to ensure that questions are set within a realistic financial services context and that wherever possible a practical context is used.

## **Higher National Graded Unit specification: instructions for designing the assessment task and assessing candidates (cont)**

**Graded Unit title:** Financial Services: Graded Unit 2

### **Disabled candidates and/or those with additional support needs**

The additional support needs of individual candidates should be taken into account when planning learning experiences, selecting assessment instruments, or considering whether any reasonable adjustments may be required. Further advice can be found on our website [www.sqa.org.uk/assessmentarrangements](http://www.sqa.org.uk/assessmentarrangements)

## History of changes to Unit

Version	Description of change	Date
02	<b>Revision of Unit:</b> DE5P 34 Investment has been revised by H9AM 35 Investment and will finish on 31/07/2017.H0BY 35 Pension Provision has been revised by H9NC 35 Pension Provision and will finish on 31/07/2017.DE5R 35 Principles of Insurance has been revised by H9ND 35 Principles of Insurance and will finish on 31/07/2017.	07/09/2015

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## General information for candidates

### Graded Unit title: Financial Services: Graded Unit 2

This Unit is a mandatory element of the HND Financial Services Group Award and is designed to assess your ability to integrate knowledge and understanding across the mandatory Units *Financial Services Regulatory Framework* (H0BW 35); *Income Tax* (F86X 35); *Investment* (H9AM 35\*); *Pension Provision* (H9NC 35\*) and *Principles of Insurance* (H9ND 35\*)

This is an examination-based Graded Unit. It will consist of an examination of three hours duration undertaken in open-book supervised conditions. Individual questions in the examination may integrate the knowledge and understanding from more than one subject area.

You will be allowed to answer examination questions with the aid of reference and/or source materials. These may include either recommended textbooks or notes you have prepared. You are also permitted to use only non-programmable calculators.

The Graded Unit is a compulsory element of the HND Financial Services Group Award and will be awarded at the following grades:

Grade A = 70%–100%

Grade B = 60%–69%

Grade C = 50%–59%