Securities advice and dealing

At the end of this unit, candidates should be able to demonstrate an understanding of:

- the features and risks of different securities;
- the structure and features of the securities market;
- relevant factors and considerations for appropriate investment recommendations.

Summary of learning outcomes	Number of questions in the examination*
1. Analyse the characteristics, features, behaviours and risks of securities and equities in the context of the market for these products.	39 standard format
2. Understand the structure, features, and regulatory and trading environment of the securities market.	9 standard format
3. Apply dealing principles and practice relevant to client investment activity.	3 standard format
4. Understand clearing, settlement and custody principles and practice relevant to client investment activity.	4 standard format
5. Assess the factors that influence market behaviour relevant to investment advice.	5 standard format
6. Apply the relevant factors and considerations to decide and implement appropriate investment recommendations.	15 standard format based on information in 3 case studies

*The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- **Method of assessment: 75 questions: 60 standard format and 15 standard format questions based on case study information. 2 hours are allowed for this examination.**
- **This syllabus will be examined from 1 September 2013 to 31 August 2014.**
- **Candidates will be examined on the basis of English law and practice in the tax year 2013/2014 unless otherwise stated.**
- **It should be assumed that all individuals are domiciled, resident and ordinarily resident in the UK unless otherwise stated.**
- **Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:**

  1) Visit www.cii.co.uk/qualifications

  2) Select the appropriate qualification

  3) Select your unit on the right hand side of the page

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1. **Analyse the characteristics, features, behaviours and risks of securities and equities in the context of the market for these products.**

1.1. **Analyse the characteristics, features, behaviours and risks of securities.**

1.2. **Analyse the characteristics, features, behaviours and risks of equities.**

1.3. **Explain the characteristics, features, behaviours and risks of the main competing asset classes and investment products.**

2. **Understand the structure, features, and regulatory and trading environment of the securities market.**

2.1. **Describe the key features of the main trading markets.**

2.2. **Describe the role, structure and regulation of the global securities market.**

3. **Apply dealing principles and practice relevant to client investment activity.**

3.1. **Apply dealing principles and practice.**

4. **Understand clearing, settlement and custody principles and practice relevant to client investment activity.**

4.1. **Explain the principles and practices of clearing, settlement and custody.**

5. **Assess the factors that influence market behaviour relevant to investment advice.**

5.1. **Assess the factors that influence investment markets and the movement of individual securities.**

6. **Apply the relevant factors and considerations to decide and implement appropriate investment recommendations.**

6.1. **Analyse the full range of objective and subjective client information and the different investment options.**

6.2. **Recommend appropriate investment options and/ or asset allocations.**

Reading list

The following list provides details of various publications which may assist with your studies.

Note: The examination will test the syllabus alone. The reading list is provided for guidance only and is not in itself the subject of the examination. The publications will help candidates keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/Personal Finance Society members can borrow most of the additional study materials below from Knowledge Services.

CII study texts can be consulted from within the library. For further information on the lending service, please go to www.cii.co.uk/knowledge.

CII study texts

Securities advice & dealing. London: CII. Study text J12.

Investment principles and risk. London: CII. Study text R02.

Additional reading

Additional reading materials are available through the library or on the Knowledge Services website.

New materials are added frequently – for information about new books and articles in your area of interest, please visit www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

Books (and ebooks)

The Financial Times guide to investing: the definitive companion to investment and the financial markets. Glen Arnold. Harlow [England]: Pearson Education, 2004. Available online via www.cii.co.uk/knowledge (CII/ Personal Finance Society members only).

The basics of finance: an introduction to financial markets, business finance, and portfolio management. Frank Fabozzi. London: Wiley, 2010.

Understanding commercial property investment: a guide for financial advisers. 2007 ed. Available online at www.ipf.org.uk.

Financial calculations. Sarah Dingley-Brown. Totnes, Devon: SDB Training, Annual

The theory and practice of investment management. Frank Fabozzi. London: Wiley, 2010.

The complete guide to investing in property. Liz Hodgkinson. 3rd ed. London: Kogan Page, 2008.

Reference materials

Lamont's financial glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).

Journals and magazines

Financial Adviser. London: FT Business. Weekly.
Also available online at www.ftadviser.com.

Financial Solutions. London: Personal Finance.

Society. Six issues a year. Available online via www.cii.co.uk/knowledge (CII/Personal Finance Society members only).Financial Times. London: Financial Times. Daily. Also available online at www.ft.com.

Investment Adviser. London: FT Business. Weekly.
Also available online at www.ftadviser.com.

Investors Chronicle. London: FT Business. Weekly.

Investment Week. London: Incisive Media. Weekly.
Also available at www.investmentweek.co.uk.

Money Management. London: FT Business. Monthly.
Money Marketing. London: Centaur Communications. Weekly. Also available online at www.moneymarketing.co.uk.

Further articles and technical bulletins are available at www.cii.co.uk/knowledge (CII and Personal Finance Society members only).

Examination guides

An examination guide, which includes a specimen paper, is available to purchase via www.cii.co.uk.

If you have a current study text enrolment the specimen paper is included, as a mock test, via RevisionMate (www.revisionmate.com). Details on how to access this resource are on the first page of the study text.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.