



**Pensions  
Management  
Institute**

## **Retail Advice and Regulation**

October 2021

Centre Name	<input type="text"/>
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This contains several short answer questions. Attempt **ALL** questions.

The total marks for this paper are 100.

Question Number: 1

The Financial Services Compensation Scheme (FSCS) was established in 2001. Describe:

- (a) How the FSCS is funded (3 marks)
- (b) The types of financial services to which a claim can relate (3 marks)
- (c) The maximum levels of compensation available (4 marks)

10 marks

Question Number: 2

Describe the additional requirements a public limited company and the Company Secretary of such a company have to fulfil when it becomes listed on the Stock Exchange.

10 marks

Question Number: 3

Explain what is meant by the Law of Agency and briefly outline how it works in practice.

10 marks

Question Number: 4

Briefly describe what is meant by Modern Portfolio Theory and how a portfolio can be constructed to reduce risk.

10 marks

Question Number: 5

Write brief notes on the notification requirements of a firm regulated by the FCA. The requirements should include both regular reports and disclosure of information the FCA would reasonably expect of a firm.

15 marks

Question Number: 6

A newly appointed Trustee is enquiring about transferring benefits out of a defined benefit pension scheme. As a Pensions Adviser write a paper for him which explains how transfer values of benefits are calculated including any legal requirements.

20 marks

Question Number: 7

Explain the term 'Breach of Trust' and the potential liability for a Trustee who commits such a breach.

10 marks

Question Number: 8

In relation to a life assurance contract:

- List the conditions that must be fulfilled for the contract to be binding  
(10 marks)
- Define the term "contractual capacity" and briefly outline the types of individuals who would be affected.  
(5 marks)

15 marks