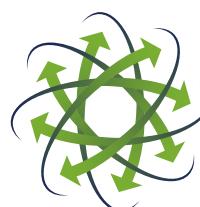


Skillsfirst Awards

Handbook

Level 3 Certificate in Introduction to Financial Trading (RQF)

FTC3



Skillsfirst
growth through learning

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1.0 Introduction

- 1.1 Skillsfirst Awards is an awarding organisation specialising in the provision of vocational qualifications across a range of occupational areas.
- 1.2 Skillsfirst Awards recognises the need for industry to have fully trained and qualified staff – reliably qualified to recognised industry standards.
- 1.3 The following handbook provides the learning outcomes and assessment strategy for the delivery of the Level 3 Certificate in Introduction to Financial Trading (RQF). The handbook is a live document and will be updated should there be any incremental change made.

Centres will be informed electronically when changes are made and it will be the responsibility of any recognised centre to ensure the most up to date version of the handbook is used. The document also provides details of the administrative procedures, requirements and responsibilities that are associated with the delivery of vocational qualifications.

The handbook is available on the Skillsfirst Awards website www.skillsfirst.co.uk

- 1.4 This document is copyright but can be copied by any of our recognised centres for the purpose of assessing learners and may also be copied by learners for their own use.
- 1.5 All learners should be provided with a copy of the Skillsfirst qualification handbook together with the Skillsfirst learner guide. This document can be found on our web-site at www.skillsfirst.co.uk

1.1 What is the Regulated Qualifications Framework (RQF)?

The RQF provides a single, simple system for cataloguing all qualifications regulated by Ofqual.

Qualifications will be indexed by their 'level', type and size. Qualifications within the framework will have a level (ranging from entry level to level 8) to indicate the level of difficulty. They will also have a Total Qualification Time (TQT) value to indicate the size of the qualification which will be either an Award, Certificate or Diploma.

The RQF will also:

- allow Awarding Organisations to design more flexible programmes, suited to the needs of a wider range of learners and employers
- describe qualifications to employers, providers and learners in a way that is easy to understand
- allow learners to achieve skills and knowledge at their own pace

1.2 RQF Qualifications

Each qualification has a Total Qualification Time (TQT) value based on the total number of hours learning required to achieve it. The TQT value reflects the number of supervised learning hours required to achieve the knowledge and assessment requirements, plus the length of time a learner would need to take to achieve the skills and capabilities to be deemed competent. All RQF qualifications are subject to an evaluation process to determine their fitness-for-purpose.

2.0 Skillsfirst Awards

2.1 Data protection

Skillsfirst Awards takes the protection of data seriously and to this end has developed a data protection statement outlining how Skillsfirst and our centres, comply with the current legislation on data protection. It is important for centres to read our statement and ensure that our requirements are put in place. It is particularly important that centres make learners aware that data is shared with Skillsfirst Awards. Our policy statement on this and data requirements can be found in our centre handbook on our website www.skillsfirst.co.uk

2.2 Equality and accessibility

Equality and accessibility

Skillsfirst is committed to giving everyone who wants to gain one of our qualifications an equal opportunity of achieving it in line with current UK legislation and EU directives including the Equality Act 2010 (Amendment) Order 2012 and to ensure this occurs, has in place a policy on equality and accessibility which can be found on our website www.skillsfirst.co.uk and within our centre handbook.

Skillsfirst will ensure that centres use an equality and accessibility policy that works together with ours and that they maintain an effective appeals procedure which along with the equality and accessibility policy, will be monitored by the external verifier. We expect centres to tell learners how to find and use their own equality and accessibility and appeals procedures.

Access to assessment

Skillsfirst Awards is committed to guaranteeing all learners are treated fairly and equally and to ensure this occurs, has in place a policy on reasonable adjustments and special considerations. This policy states clearly what centres can and, in some cases must, put in place to assist learners who may have particular requirements.

We expect centres to tell learners how to find and use their own reasonable adjustments and special considerations policy and will monitor implementation through the external verification process. This policy can be accessed at www.skillsfirst.co.uk and within our centre handbook. Further advice on this policy and its application can be obtained from our customer services team at customerservices@skillsfirst.co.uk

2.3 Enquiries and information sources

Skillsfirst aims to provide accurate information in a variety of formats and media. Recognised centres are encouraged to make enquiries to the customer services team, or seek clarification from our website. Learners wishing to enquire about qualifications, aspects of qualifications or quality assurance policies and procedures are encouraged, in the first instance, to seek information from the recognised centre or their tutor/assessor. Where a satisfactory answer is unavailable, learners are encouraged to seek clarification from our website, or from the Skillsfirst customer services team.

As a guide, the majority of frequently requested information is available on our website or on request via the electronic helpline listed below.

Website: www.skillsfirst.co.uk
email: customerservices@skillsfirst.co.uk

Tel: 0121 270 5100

In writing to:

Customer Services
Skillsfirst Awards Limited
Suite 416
Fort Dunlop
Fort Parkway
Birmingham
B24 9FD

2.4 Complaints and appeals

Complaints

Skillsfirst Awards will endeavour at all times to satisfy our customer's needs and ensure a quality service. There may be times when our centres do not feel we have met these needs. Should they wish, centres may complain in writing to the Skillsfirst Awards customer services manager. We will attempt to resolve all complaints within the published timescales and will record and review all complaints as part of our ongoing customer service commitment.

Appeals

Skillsfirst Awards aims to ensure that at all times its decisions are fair, consistent and based on valid judgements. However, it is recognised that there may be occasions when a centre or a learner may wish to question a decision made. Skillsfirst Awards therefore has an appeals policy and process which clearly indicates the rights of the centre and the learner to appeal against a range of decisions taken by Skillsfirst.

The Skillsfirst Awards appeals policy and process can be accessed on our website www.skillsfirst.co.uk and within our centre handbook. Centres are required to have a documented policy and procedure which allows learners to question decisions made by the centre. The final stage of such a procedure may be to appeal to the Skillsfirst Awards external verifier. This policy would form part of the original centre recognition process and its implementation will be monitored by the external verifier.

2.5 Malpractice and maladministration

Skillsfirst Awards has a responsibility to ensure that malpractice and maladministration is addressed effectively and to publish procedures to centres for dealing with malpractice on the part of learners, centre staff and any others involved in providing the qualification. To meet this requirement, Skillsfirst Awards has a malpractice policy and process, the details of which can be accessed on our website www.skillsfirst.co.uk

3.0 The skills council for the finance sector

3.1 Financial Skills Partnership (part of Skills for Justice)

The Level 3 Certificate in Introduction to Financial Trading (RQF) is based on the modules endorsed by the Financial Skills Partnership who are the skills council for the Financial sector. Their contact details are:

1st Floor, Unit C
Meadowcourt Business Park
4 Hayland Street
Sheffield
S9 1BY

Phone 0114 284 1930
E: info@sfjuk.com

This handbook provides details of the assessment strategy, which centres will need to apply in order to assess and quality assure the Level 3 Certificate in Introduction to Financial Trading (RQF) and includes the:

- occupational expertise of those who assess performance, and moderate and verify assessments
- continuous professional development
- summary of assessment methods

3.2 Occupational expertise of deliverers, assessors, and moderators/internal verifiers

Staff delivering this qualification must be able to demonstrate that they meet the following occupational expertise requirements. They should:

- be occupationally competent to make assessment judgements about the broad use of financial trading techniques either in the workplace or in Realistic Working Environments (RWE); and occupationally competent to make assessment judgements about the quality of assessment and the assessment process
- be occupationally knowledgeable in the area(s) for which they are delivering training. This knowledge must be at least to the same level as the training delivered.
- have credible experience of providing training.

Assessors and internal verifiers must hold the relevant and equivalent qualifications (such as D32, D33, A1, A2 or Level 3 TAQA for assessors and D34, V1 or Level 4 TAQA for internal verifiers), or be working towards an appropriate TAQA or equivalent qualification. Centre staff should have verifiable relevant experience and current knowledge of the occupational working area at, or above, the level they are assessing or verifying. This experience and knowledge must be of sufficient depth to be effective and reliable when judging learner competence or verifying assessment processes and decisions. This could be verified by:

- curriculum vitae and references
- possession of a relevant qualification
- records of continuous professional development
- corporate membership of a relevant professional institution

Centre staff may undertake more than one role, e.g. tutor and assessor or internal verifier, but must never internally verify their own assessments.

3.3 Employer direct model

Where employers opt for an ‘employer direct’ model, the qualification requirements for assessors and internal verifiers may be waived.

The employer direct' model is where colleagues, supervisors and/or managers in the workplace are involved in the assessment process. Under this model, the employer, with the agreement of Skillsfirst may choose between:

- achieving the appropriate approved qualifications for assessment/verification
or
- demonstrating that their (the employer's) training and development activity undertaken to prepare, validate and review these assessment roles, maps 100% to the National Occupational Standards which these qualifications are based on. The mapping process **must** be agreed by Skillsfirst as providing the equivalent level of rigour and robustness as achievement of the approved assessment/verification qualification.

Each application to use the employer direct model will be considered on an individual organisation and qualification basis and agreed by the qualification regulators, including the sector skills council. Prospective organisations must be able to confirm that their in-house practices conform to the requirements of the standards in association with Skillsfirst.

3.4 Continuous professional development

Centres are responsible for ensuring that assessors and IVs plan and maintain their CPD.

Centres are expected to support their assessors and IVs in ensuring that their knowledge remains current of the occupational area and of best practice in delivery, mentoring, training, assessment and verification, and that it takes account of any national or legislative developments.

Centres may have generic criteria and personnel specifications in addition to the above.

4.0 Summary of assessment methods

For this qualification, learners will be required to provide evidence of their skills, knowledge and understanding of financial trading for **each** module.

4.1 Assessment principles

Modules will be achieved through the acquisition of evidence by the learner and submission to their assessor. Modules may be assessed through a number of different sources and forms, which must meet the requirements of assessment criteria.

- Assessment should normally be at the learner's workplace, but where the opportunity to assess across the range of standards is unavailable other comparable working environments may be used, following agreement from the External Verifier.
- A holistic approach towards the collection of evidence should be encouraged, assessing activities generated by the whole work experience rather than focusing on specific tasks. e.g. If the learner communicates with a customer whilst engaged in sales activities these can be assessed against both sales and customer service elements.
- Assessors can only assess in their acknowledged area of occupational competence.
- Assessors and IVs will be registered with their centre and be accountable to the organisation for their assessment practice.

- Health and safety of customers/clients and employees must be maintained throughout the assessment process and if any person carrying out assessment or verification activities does not feel that there is due regard to health and safety then that person should refuse to continue with the activity(ies) until satisfied that due regard to health and safety is being taken.

4.2 Characteristics of assessment

There are two types of assessment for the Level 3 Certificate in Introduction to Financial Trading (RQF). These are skills and knowledge/understanding.

To confirm your skills competence, you are advised to work through the e-learning material with the support of your tutor and complete the self-test activities at the end of each of the lessons. Once you feel you are ready, you can then ask your tutor/assessor to provide you with the final skills assessment which will consist of a work-based assignment covering the trading of a financial product.

To confirm your knowledge/understanding competence, you are again advised to work through the e-learning material with the support of your tutor and complete the self-test activities at the end of each of the lessons. Once you feel you are ready, you can then ask your tutor/assessor to provide you with the final knowledge/understanding assessment which will consist of workbook-style questionnaire.

You may produce evidence from a range of sources which should be recorded in some form. A record of evidence will confirm to your tutor/assessor their confidence in your competence and breadth and depth of knowledge and understanding in being able to competently meet the functional requirements of all the units.

Your tutor/assessor will need to be assured that you can:

- meet all the learning outcomes of a module
- pass all the skills and knowledge of a module

Your tutor/assessor may request additional evidence if they are not satisfied with the evidence you present. If this occurs, it may need to be agreed in partnership with you and your tutor/assessor.

4.3 Recognition of prior learning (RPL)

RPL recognises how the contribution of a learner's previous experience could contribute to a qualification. Should any opportunities for RPL be identified, it is important that a complete process of recognising prior experience and learning is undertaken, by ensuring that:

- it covers relevant or appropriate experience for previous activities, as well as accredited learning and qualifications
- it is incorporated into the assessment planning, with details of how this will take place
- mapping of prior learning to the national occupational standards to identify gaps is documented and auditable
- assessment methods or processes for recognising prior experience and learning, are documented and made available to the external verifier
- the audit trail covers the whole process and methodology of RPL
- the authenticity and currency of presented evidence is established by the assessor

In considering the appropriateness of any single piece of **evidence**, the following should be considered:

- **Content** – the degree to which the content of any previous accredited learning meets the requirements of the national occupational standards against which it is being presented as evidence.
- **Performance and knowledge** – the degree to which the previous learning covered both performance and knowledge. Some learning will only have offered and tested the latter, in which case RPL will only recognise the meeting of knowledge requirements. Performance will require further assessment. Although unlikely, the reverse (performance tested but not knowledge) could be true in which case knowledge and understanding would need further assessment.
- **Relevance of context** – the degree to which the context of the learning gained and assessed, relates to the current context of learner' work roles. If the context was different, assessors will need to satisfy themselves of learners' ability to transfer the learning gained into their current setting.
- **Currency** – how recently the learning was gained. Learners would need to demonstrate current knowledge and understanding of areas such as legislation, policy and practice etc., which may have changes since the previous learning programmes were undertaken.
- **Authenticity** – how the ownership of the evidence is established to ensure it was generated by the learner.

5.0 Qualification information

5.1 Qualification aim and design

This qualification has been designed to meet both employer and individual demand for learners who have been developed to take on the role of a Financial Trader. To achieve this qualification, the learner will need to demonstrate the skills and knowledge required to analyse financial markets and apply trading techniques to financial products in a global market. These skills and knowledge will also enable the learner to identify areas for possible business development and sources of further financial support, as well as using CPD to develop their own competence.

The primary target group for this qualification would be those wishing to work as a financial trading professional by enabling a linked progression onto the Level 5 Diploma in Financial Trading (RQF). Learners could also use the qualification to enhance their CPD to develop their skills and knowledge to operate as a flow trader, proprietary trader, sales trader or other related roles.

6.0 Qualification information

6.1 Qualification requirements

Qual no.	Level	Qualification title	Number of modules
FTC3	3	Level 3 Certificate in Introduction to Financial Trading (RQF)	3 modules

Learners must achieve all 3 modules from Group M to achieve the qualification.

6.2 Total qualification time (TQT)

TQT is formulated by looking at the total Notional Hours of Learning for the qualification.

The TQT for the Level 3 Certificate in Introduction to Financial Trading (RQF) is **169**.
The minimum guided learning hours (GLH) are **45**

6.3 List of available modules and their GLH value

The list below gives the module titles, their level and the GLH value of each module.

Group M - mandatory modules

RQF UAN	Skillsfirst module no.	Level	Module title	GLH value
K/615/8099	FT5	3	Principles of Financial Trading	18
H/615/8098	FT6	3	Principles of Financial Planning and Cash Flow in Financial Trading	15
D/615/8097	FT7	3	Understanding Financial Trading Techniques	12

6.4 Learner entry requirements

Formal requirements

Although there are no formal entry requirements, learners would find it helpful to have some understanding of the financial markets and have a reasonable level of maths ability.

Age restrictions

There are age limits attached to learners undertaking this qualification as this qualification is not approved for learners under the age of 16.

6.5 Progression opportunities

On completion of the Level 3 Certificate in Introduction to Financial Trading (RQF), learners may progress into employment or onto the following Skillsfirst qualifications:

Level 3 Diploma in Management
Level 5 Diploma in Financial Trading

or similar higher-level qualifications.

7.0 The modules of Learning

7.1 Structure of the modules

The modules which make up these qualifications are written in a standard format and comprise of:

- Skillsfirst reference number
- module title
- level
- module aim
- learning outcomes
- guided learning hours
- endorsement of the module
- information on assessment and any guidance
- learning outcomes and assessment criteria

7.2 Group M - mandatory modules

FT5

Principles of financial trading



Level: 3**Module aims**

The aim of this module is to provide the learner with the opportunity to gain an understanding of the role of a Financial Trader and the psychology behind being a successful Trader. The module also provides the learner with an understanding of the principles of financial markets and traded financial markets operations.

Learning outcomes

There are **four** learning outcomes to this module. The learner will be able to:

1. Understand the role of a Financial Trader
2. Understand the operation of financial markets
3. Understand the operation of traded financial markets
4. Understand the psychology of market trading

Guided learning hours

It is recommended that **18** hours should be allocated for this module. This may be on a full-time or part-time basis.

Endorsement of the module by a sector or other appropriate body

This module is endorsed by Financial Skills Partnership, the skills council for the Financial sector

Assessment information

Learners will be required to provide a portfolio of evidence indicating that they have met all the module outcomes and skills and knowledge requirements.

Assessment guidance

Types of traders could include:

- Proprietary traders and firms
- Investment banks
- Market makers

Types of investors could include:

- Mutual fund
- Investment banks
- Retail investments
- Institutional investments

Strategies could include:

- Technical analysis
- Market psychology
- Supply and demand
- Other traders

Categories of algorithmic trading could include:

- Market making
- Order execution
- Arbitrage

Basic functions associated with the operation of the financial markets could include:

- Borrowing and lending.
- Price determination
- Information aggregation and co-ordination
- Risk sharing
- Liquidity
- Efficiency

Banks and other financial institutions could include:

- The Bank of England
- OECD (Organisation for Economic Co-Operation and Development)
- IMF (International Monetary Fund)

Types of exchanges could include:

- Trading exchange
- Electronic exchange
- Stock exchange

Types of risks could include:

- Credit
- Re-investment
- Inflation
- Liquidity
- Market

FT5 Principles of financial trading

Learning outcomes and skills and knowledge requirements

Outcome 1 Understand the role of a Financial Trader

The learner can:

- 1 define the role of a trader
- 2 compare the differences between the common types of traders and investors
- 3 explain the significance of the different strategies used by traders
- 4 compare the benefits of the different algorithmic trading strategies

Outcome 2 Understand the operation of financial markets

The learner can:

- 1 describe the economic influences on the financial market
- 2 compare the differences between the operation of the different financial markets
- 3 describe the basic functions associated with the operation of the financial markets
- 4 compare the differences between the cash market and the futures market
- 5 explain the significant differences between spread betting and a CFD (contract for difference)
- 6 evaluate the influence of the banks and other financial institutions on the financial markets

Outcome 3 Understand the operation of traded financial markets

The learner can:

- 1 compare the differences between the different types of exchanges
- 2 describe the operation of the different traded markets
- 3 evaluate the management of different risks within the different traded markets
- 4 describe the range of factors affecting pricing within the different traded markets

Outcome 4 Understand the psychology of market trading

The learner can:

- 1 explain the use of market psychology in financial trading
- 2 explain the use of trader psychology in financial trading
- 3 evaluate the effectiveness of trader and market psychology in trading successfully

FT6

Principles of financial planning and cash flow in financial trading



Level: 3

Module aims

The aim of this module is to provide the learner with the opportunity to gain an understanding of the principles of financial management and the forecasting financial targets within financial trading activities. The module also provides the learner with an understanding of how business tax and VAT impact on financial trading operations.

Learning outcomes

There are **three** learning outcomes to this module. The learner will be able to:

1. Understand the principles of financial management in financial trading
2. Understand the principles of forecasting financial targets in financial trading
3. Know how business tax and VAT impact on financial trading

Guided learning hours

It is recommended that **15** hours should be allocated for this module. This may be on a full-time or part-time basis.

Endorsement of the module by a sector or other appropriate body

This module is endorsed by Financial Skills Partnership, the skills council for the Financial sector

Assessment information

Learners will be required to provide a portfolio of evidence indicating that they have met all the module outcomes and skills and knowledge requirements.

Assessment guidance

Techniques used to estimate risks and returns could include:

- CAPM (capital asset pricing model)
- Sharpe ratio
- Jenson measure

Taxes which apply to UK residents should include:

- Stamp duty
- Financial transaction tax (FTT)

Types of FTT could include:

- Currency transaction tax
- Securities transaction tax
- Bank transaction tax
- Automated payment transaction tax

FT6 Principles of financial planning and cash flow in financial trading

Learning outcomes and skills and knowledge requirements

Outcome 1 Understand the principles of financial management in financial trading

The learner can:

- 1 describe the benefits of financial management
- 2 explain how different financial strategies can maximise a trading account

Outcome 2 Understand the principles of forecasting financial targets in financial trading

The learner can:

- 1 describe how profit and loss can impact on trading targets
- 2 compare the different measuring techniques used to estimate risks and returns
- 3 calculate the rates of return on a range of investments

Outcome 3 Know how business tax and VAT impact on financial trading

The learner can:

- 1 describe the scope of the taxes which apply to UK residents regarding the purchasing and selling of shares
- 2 explain the core purpose of Financial Transaction Tax within financial trading
- 3 describe the features of the different types of financial transaction taxation

FT7

Understanding financial trading techniques



Level: 3

Module aims

The aim of this module is to provide the learner with the opportunity to gain an understanding of how to analyse the market and its associated trading patterns and how to successfully trade financial products in a global market.

Learning outcomes

There are **two** learning outcomes to this module. The learner will be able to:

1. Understand how to analyse the market and trading patterns
2. Understand how to trade financial products

Guided learning hours

It is recommended that **12** hours should be allocated for this module. This may be on a full-time or part-time basis.

Endorsement of the module by a sector or other appropriate body

This module is endorsed by Financial Skills Partnership, the skills council for the Financial sector

Assessment information

Learners will be required to provide a portfolio of evidence indicating that they have met all the module outcomes and skills and knowledge requirements.

Assessment guidance

Different types of charts could include:

- Line charts
- Bar Charts
- Candlestick charts
- Market profile charts

Types of trends should include:

- Uptrend
- Downtrend
- Sideways trend

Types of trading should include:

- Outright
- Spread

Economic indicators could include:

- GDP (gross domestic product) index
- Employment and wages index
- Personal income and consumption
- Producer and consumer price index
- Consumer confidence index
- Retail sales index
- European economic indicators
- House price index

FT7 Understanding financial trading techniques

Learning outcomes and skills and knowledge requirements

Outcome 1 Understand how to analyse the market and trading patterns

The learner can:

- 1 compare the use of fundamental analysis and technical analysis to analyse the market and its trading patterns
- 2 describe the importance of having a limited number of technical indicators when developing a trading strategy
- 3 compare the benefits of using different types of charts to analyse the market and its trading patterns
- 4 explain how trends can impact on the analysis of the market and its trading patterns

Outcome 2 Understand how to trade financial products

The learner can:

- 1 compare and contrast the types of trading that occur in the financial markets
- 2 describe the different economic indicators that can influence trading behaviour
- 3 explain the correlation between the Daily Trading Sheet and the trading of financial products



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