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INSURANCE SECTOR EDUCATION
AND TRAINING AUTHORITY

Learner Name	
ID Number	
Organisation	

FORMATIVE ASSESSMENT: LEARNER WORK FILE VERSION 1

Unit Standard Title: **Apply scenario planning to explain potential risk in a specified financial services context**

Unit Standard No: **242580**

Unit Standard Credits: **6**

NQF Level: **5**

Mark information:

Specific Outcome/Section	1	2	3	4	5	Total	%	C / NYC
Maximum marks	21	9	24	7		61	100	

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Formative Activities

Section 1: 21 marks

Activity 1

Discuss the relationships that operate in the broad financial services environment.


(8)



Activity 2

Comment on the events in the macro environment and discuss how they are applied in order to initiate the formulation of potential scenarios.

(3)



Activity 3

List and explain 4 potential scenarios within your environment.

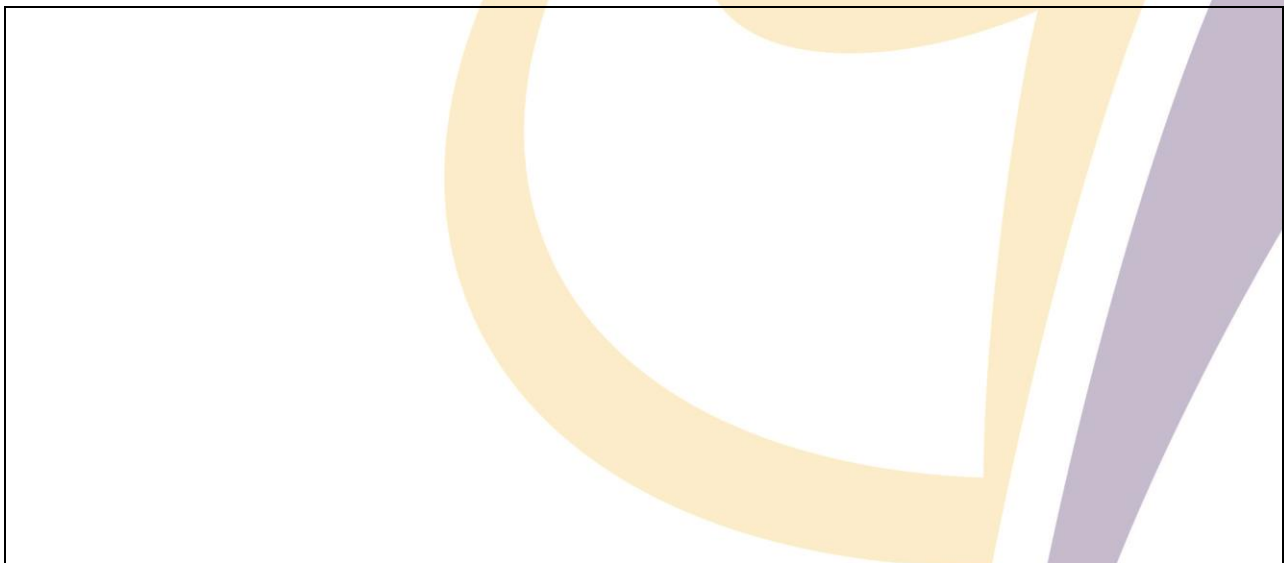
(8)



Activity 4

Identify and analyse likely responses to the changing environment based on the potential scenarios identified in Activity 3.

(2)



Section 2: 9 marks
Activity 5

What is “divergent thinking”?

(2)

Activity 6

How would you use divergent thinking techniques to generate a variety of scenarios in a selected context?

(5)

Activity 7

Apply divergent thinking techniques to generate a variety of scenarios related to the potential scenarios identified in Activity 3. Include evidence of the thinking activities (e.g. a mind map or evidence of brainstorming)

(2)

Section 3: 24 marks
Activity 8

Based on the above examples, prioritise and select appropriate scenarios that will lead to the best outcome. (3)

Activity 9

What criteria for selecting appropriate scenarios should be negotiated which will enable evaluation of the scenario? (4)

Activity 10

Evaluate the scenarios against the criteria and rank for best fit. (3)

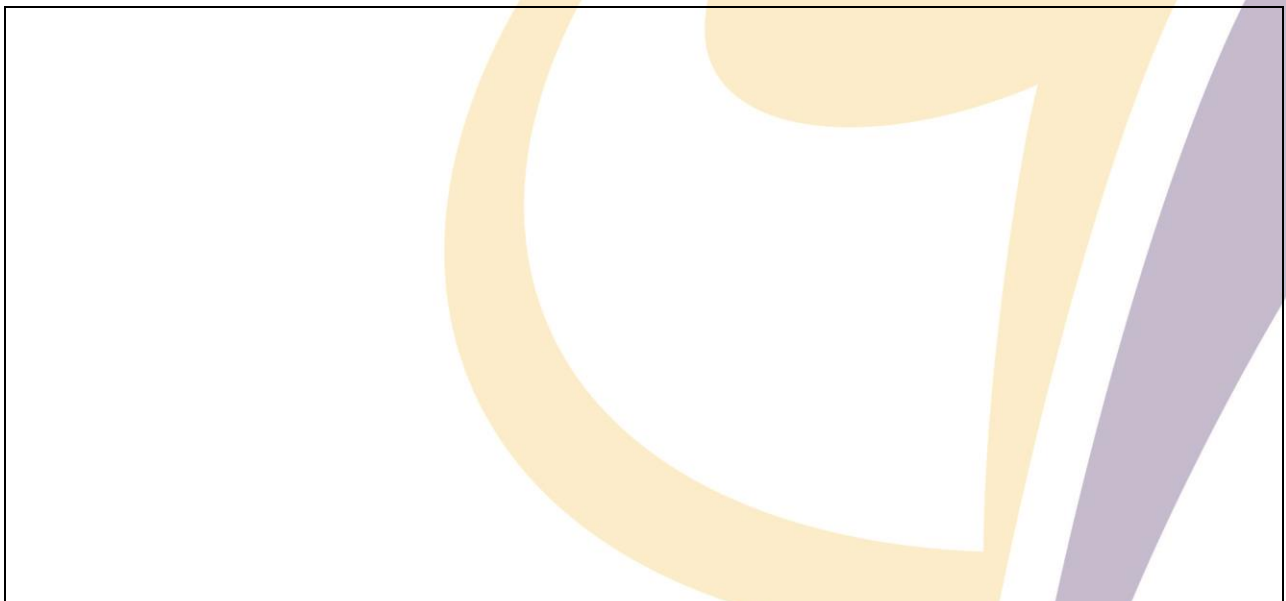
Activity 11

Discuss how you went about to identify the most appropriate scenarios to select for further development and analyse the probability of the occurrence in each proposed scenario. (6)



Activity 12

How can risk mitigation techniques be utilized for the various scenarios? (4)



Activity 13

Discuss the factors that could lead to a scenario becoming the next scenario and give an indication of any potential sensitivities relating to the different outcomes. (4)

Section 4: 7 marks

Activity 14

How can information be used to synthesise the risk in each one of the scenarios?

(3)

Activity 15

Use your own personal knowledge and insight to anticipate a potential outcome of the scenario. (2)

Activity 16

What is the potential impact of the anticipated outcomes on the risk?

(2)

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SOUTH AFRICAN QUALIFICATIONS AUTHORITY**REGISTERED UNIT STANDARD:**

Apply scenario planning to explain potential risk in a specified financial services context

SAQA US ID	UNIT STANDARD TITLE			
242580	Apply scenario planning to explain potential risk in a specified financial services context			
ORIGINATOR		ORIGINATING PROVIDER		
SGB Insurance and Investment				
QUALITY ASSURING BODY				
-				
FIELD			SUBFIELD	
Field 03 - Business, Commerce and Management Studies			Finance, Economics and Accounting	
ABET BAND	UNIT STANDARD TYPE	OLD NQF LEVEL	NEW NQF LEVEL	CREDITS

Undefined	Regular	Level 5	New Level Assignment Pend.	6
REGISTRATION STATUS	REGISTRATION START DATE	REGISTRATION END DATE	SAQA DECISION NUMBER	
Reregistered	2009-11-03	2012-06-30	SAQA 0160/05	
LAST DATE FOR ENROLMENT	LAST DATE FOR ACHIEVEMENT			
2013-06-30	2016-06-30			

In all of the tables in this document, both the old and the new NQF Levels are shown. In the text (purpose statements, qualification rules, etc), any reference to NQF Levels are to the old levels unless specifically stated otherwise.

This unit standard replaces:

US ID	Unit Standard Title	Old NQF Level	New NQF Level	Credits	Replacement Status
14530	Apply scenario planning to explain potential risk in a specified financial services context	Level 5	New Level Assignment Pend.	6	Complete

PURPOSE OF THE UNIT STANDARD

This Unit Standard is intended for people who are required to explain the potential risk in a specified financial services context and the impact on the broad financial services environment. They may be required to produce supporting documentation for financial planners and intermediaries and who work in research and development. It is relevant to Intermediaries, Financial Planners, Retirement Fund Consultants, Broker Consultants, learners in Risk Finance and Financial Advisors.

The qualifying learner is capable of:

- Demonstrating knowledge and insight into relationships that operate in the broad financial services environment.
- Using divergent thinking techniques to generate a variety of scenarios in a selected context.
- Prioritising and selecting appropriate scenarios for a specific purpose or context.
- Analysing the effect of each of the selected scenarios on a potential risk.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR

LEARNING

It is assumed that learners are competent in Communication and Mathematical Literacy at NQF Level 4.

UNIT STANDARD RANGE

The typical scope of this Unit Standard is:

- The macro environment includes, but is not limited to, the natural, social, economic, political, legislative and regulatory environments.
- A client may be internal or external.
- Macro and micro factors include understanding economic principles.
- Scenarios should include some extreme scenarios.
- Scenario planning includes what if analysis.

Specific Outcomes and Assessment Criteria:

SPECIFIC OUTCOME 1

Demonstrate knowledge and insight into the relationships that operate in the broad financial services environment.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Knowledge of events in the macro environment is applied in order to initiate the formulation of potential scenarios.

ASSESSMENT CRITERION 2

Potential scenarios are contextualised within a specific financial services environment.

ASSESSMENT CRITERION 3

Likely responses to change are identified for the potential scenarios.

SPECIFIC OUTCOME 2

Use divergent thinking techniques to generate a variety of scenarios in a selected context.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Appropriate divergent thinking techniques are used to generate a variety of scenarios in

a selected context.

SPECIFIC OUTCOME 3

Prioritise and select appropriate scenarios for a specific purpose or context.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Criteria for selecting appropriate scenarios are negotiated to enable evaluation of the scenario and the range of scenarios is evaluated against the criteria and ranked for best fit.

ASSESSMENT CRITERION 2

The most appropriate scenarios are selected for further development and analysis and the probability of the occurrence is tested in each proposed scenario.

ASSESSMENT CRITERION 3

Risk mitigation techniques are discussed for the various scenarios, factors that could lead to a scenario becoming the next scenario are discussed and an indication is given of any potential sensitivities relating to the different outcomes.

SPECIFIC OUTCOME 4

Analyse the effect of each of the selected scenarios on potential risk.

ASSESSMENT CRITERIA

ASSESSMENT CRITERION 1

Information is introduced into each scenario to synthesise the risk.

ASSESSMENT CRITERION 2

Research and own personal knowledge and insight are used to anticipate a potential outcome.

ASSESSMENT CRITERION 3

The potential impact of the anticipated outcomes on risk are identified and explained to the appropriate client.

UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS

- Anyone assessing a candidate against this Unit Standard must be registered as an

assessor with the relevant ETQA or ETQA where a Memorandum of Understanding (MOU) exists with the relevant ETQA.

- Any institution offering learning that will enable achievement of this Unit Standard must be accredited as a provider through the relevant ETQA or ETQA where a Memorandum of Understanding (MOU) exists with the relevant ETQA.
- Moderation of assessment will be overseen by the relevant ETQA according to the moderation guidelines and the agreed ETQA procedures.

UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE

N/A

UNIT STANDARD DEVELOPMENTAL OUTCOME

N/A

UNIT STANDARD LINKAGES

N/A

Critical Cross-field Outcomes (CCFO):

UNIT STANDARD CCFO IDENTIFYING

The learner is able to identify and solve problems in which responses show that responsible decisions using critical and creative thinking have been made in using divergent thinking skills to generate a variety of scenarios in a selected context.

UNIT STANDARD CCFO WORKING

The learner is able to work as a member of a team in generating a variety of scenarios and evaluating the scenarios against negotiated criteria.

UNIT STANDARD CCFO ORGANISING

The learner is able to organise and manage him/herself and his/her activities responsibly and effectively applying scenario planning to explore potential risk.

UNIT STANDARD CCFO COLLECTING

The learner is able to collect, organise and critically evaluate information in applying knowledge of events in the macro environment to potential scenarios.

UNIT STANDARD CCFO COMMUNICATING

The learner is able to communicate effectively using visual, mathematics and language skills in the modes of oral and/or written presentations in applying scenario planning and exploring potential risk.

UNIT STANDARD CCFO SCIENCE

The learner is able to use science and technology effectively and critically in injecting information into a variety of scenarios to synthesise the risk.

UNIT STANDARD CCFO DEMONSTRATING

The learner is able to demonstrate an understanding of the world as a set of related systems by recognising that problem-solving contexts do not exist in isolation in applying knowledge of events in the macro environment to formulate potential scenarios and explaining the potential impact of anticipated outcomes.

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