Australian Government

FNSFMK611 Price financial transactions

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 4.0.

Application

This unit describes the skills and knowledge required to price financial transactions by assessing the risk of the transaction and the price-maker's trading portfolio, given market conditions and trading risk parameters.

The unit applies to individuals who use analytical skills and systemic approaches to evaluate market conditions, data and risk in order to price financial transactions.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Financial markets

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
Elements describe the essential outcomes.	*Performance criteria describe the performance needed to demonstrate achievement of the element.*
1. Establish transaction details	1.1 Identify type of transaction to be priced for client 1.2 Clarify details of the trade
2. Assess risks and price transaction	2.1 Confirm transaction is within designated product dealing authority and individual market risk limit structure as a market maker 2.2 Identify source of financial data and underlying inputs required for pricing the proposed transaction 2.3 Assess risks of proposed transaction given market conditions and individual market view 2.4 Assess impact of proposed transaction on risk profile of trading portfolio to determine appropriate price 2.5 Calculate price of the underlying transaction

ELEMENT	PERFORMANCE CRITERIA
3. Confirm price and execute transaction	3.1 Communicate price to price taker with appropriate level of transparency and comply with organisational processes regarding customer orders 3.2 Adjust price of transaction if underlying inputs move 3.3 Confirm client acceptance or rejection of transaction price, according to organisational requirements 3.4 Execute transaction within required timeframes and confirm that updated market risk profile of portfolio correctly reflects transaction

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

Skill	Description
Reading	• Researches and analyses complex financial information from a range of sources • Consolidates information and identifies gaps relevant to requirements
Writing	• Records information and data using required format, terminology and conventions specific to requirements • Develops material for a specific audience using clear and detailed language
Oral communication	• Participates in verbal exchanges using active listening and questioning techniques to share, convey and clarify information • Uses language, terminology and concepts appropriate to audience and purpose • Uses various techniques to identify different perspectives, build rapport and confirm, clarify or revise understanding
Numeracy	• Interprets and analyses information to perform calculations and develop transaction prices
Self-management	• Keeps up to date on changes to regulation relevant to own rights and responsibilities and considers implications of these when planning and undertaking work • Accepts responsibility for planning and sequencing complex tasks and workload • Takes responsibility for high impact decisions in complex situations involving many variables and constraints
Initiative and	• Critically analyses data generated in automated processes and systems for validity

enterprise	
Technology	• Uses digital tools to access and organise complex data and analyse multiple sources of information for strategic purposes

Unit Mapping Information

Supersedes and is equivalent to FNSFMK601 Price financial transactions.

Links

Companion Volume Implementation Guide is found on VETNet - https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe