



Australian Government

FNSINC601 Apply economic principles to work in the financial services industry

Release: 1

FNSINC601 Apply economic principles to work in the financial services industry

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to apply broad principles of financial economics that underpin a range of tasks and functions in the financial services industry. It includes understanding how financial instruments are priced in markets, and techniques and processes government and organisations use to manage financial risk, demonstrating broad knowledge of economic theories and related decision making in a national and organisational economic context.

It applies to individuals who have an understanding of economics and how this impacts on work in the financial services industry. It also underpins other skills required for work in the financial services industry and may be applied in all sectors of the industry.

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

Unit Sector

Industry capability

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Apply economic principles and theories	1.1 Develop and apply knowledge of economic principles relevant to the industry 1.2 Apply microeconomic theory of markets and influences on financial products and services to determine structure of organisation 1.3 Apply capital adequacy regulation and requirements to work

ELEMENT	PERFORMANCE CRITERIA
	functions
2. Evaluate economic aspects that apply to decision making	2.1 Apply relevant financial modelling techniques to economic data to inform decision making 2.2 Analyse and apply appropriate asset pricing models 2.3 Apply models to determine organisational value in relation to capital structure
3. Review own work	3.1 Evaluate own work in context of relevant economic principles 3.2 Improve performance through understanding of how economics applies to own decision making
4. Maintain personal understanding of economic policies	4.1 Research current economic theories and their impact on the industry to ensure relevant current knowledge 4.2 Integrate contemporary economic principles into work practices

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.1, 1.2, 2.1, 2.2, 4.1	Critically analyses complex documentation from a variety of sources, and consolidates information relating to specific criteria to assist in making high level business and organisational decisions
Numeracy	2.2, 2.3	Performs mathematical calculations to analyse financial information, costs and values for pricing models and capital structure
Navigate the world of work	1.3, 3.1, 3.2, 4.1	- Works autonomously, making high level decisions to achieve and improve organisational goals - Monitors and reviews organisational policy, procedures and adherence to legislative requirements to implement and manage change - Ensures knowledge of products, legislation, regulations and standards relevant to role is accurate, comprehensive and current
Get the work	1.1, 1.2, 1.3, 2.1, 2.2,	Plans strategic priorities and outcomes within a flexible,

done	2.3, 4.2	efficient and effective context in a diverse environment exposed to competing demands • Identifies key factors that impact on decisions and their outcomes, drawing on experience, competing priorities and decision-making strategies where appropriate • Explores and incubates new and innovative ideas through unconstrained analysis and critical thinking to develop and improve organisational goals • Uses the main features and functions of digital tools to complete work tasks and access information
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Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSINC601 Apply economic principles to work in the financial services industry	FNSINC601A Apply economic principles to work in the financial services industry	Updated to meet Standards for Training Packages. Minor edits to clarify performance criteria.	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSINC601 Apply economic principles to work in the financial services industry

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Performance Evidence

Evidence of the ability to:

- research economic trends, evaluate impacts, and access and interpret corporate regulations
- analyse and apply a range of financial modelling techniques and tools
- reflect on and review own performance in applying knowledge of economic principles in day-to-day work functions.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- outline key features of common economic theories that relate to the financial services industry
- outline key features of microeconomic principles and how they relate to financial services industry products, services and organisational practices
- explain capital adequacy requirements for financial services organisations based on financial product mix
- explain asset pricing models and their use in identifying organisational value and capital structures
- explain and apply economic theories and valuation of assets
- identify and apply financial modelling techniques and tools
- outline industry or organisation financial markets, products and services
- describe key features of relevant legislation, statutory requirements and industry codes of practice
- identify and describe techniques and tools for evaluation and interpretation of research data
- describe the economic and political climate relating to the financial services industry.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the industry capability field and include access to:

- common office equipment, technology, software and consumables.
- current financial services industry economic literature and research.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>