



Australian Government

Department of Education, Employment and Workplace Relations

FNSFMK601A Price financial transactions

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to compile and analyse financial information and data to determine the price of financial products and record financial transactions. This unit may apply to job roles subject to licensing, legislative, regulatory or certification requirements so Commonwealth, State or Territory requirements should be confirmed with the relevant body.
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Application of the Unit

Application of the unit	This unit applies to a range of transaction job roles in the financial markets sector.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Compile financial information and data	1.1. Sources of financial data relating to financial products and financial markets are identified for analysis purposes and collected according to organisational practises 1.2. Financial data is analysed to evaluate current market position and review the data against financial products
2. Analyse and make prices	2.1. Financial products are analysed utilising standard financial market investment concepts, against evaluated financial market data 2.2. Evaluated financial product data is reviewed against the current market position of the financial product 2.3. Financial market product price is reviewed against client requirements and credit rating and a financial transaction price formulated using standard organisational practises 2.4. Client is advised of the financial transaction price in accordance with organisational guidelines
3. Record financial transaction	3.1. Client acceptance of financial transaction price is confirmed according to organisation requirements and relevant transaction documentation is completed as necessary 3.2. All transaction details are entered into the organisation dealing systems

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- well-developed communication skills to:
 - determine and confirm client and organisational requirements, using questioning and active listening as required
 - advise client of financial product prices
 - liaise with team members and peers, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- numeracy and IT skills to:
 - use comparative analysis techniques and make financial calculations
 - develop transaction prices
 - use dealing system systems, spreadsheets and databases
 - use internet information
- highly developed research and analysis skills for:
 - accessing, interpreting and managing complex information and evaluating and disseminating information to clients
 - reviewing product information against client requirements
 - identifying gaps in information and gathering necessary information from alternative sources
- well-developed literacy skills to:
 - read and interpret market information
 - identify economic environmental factors which affect financial services and markets
- judgement skills for forming recommendations in complex situations
- organisational skills, including the ability to:
 - prioritise client requirements
 - plan and sequence own work
 - work effectively in a constantly changing environment
- self-management skills for complying with ethical, legal and procedural requirements and model a professional and ethical approach to clients

Required knowledge

- the range of financial market products that can be traded
- the economic environment, including:
 - characteristics and impacts of economic and business cycles
 - government monetary and fiscal policies
 - interest rates, exchange rates and inflation

REQUIRED SKILLS AND KNOWLEDGE

- financial markets operating software systems
- risk and implications of financial positions
- relevant mathematical principles and methodologies for pricing financial products and transactions

Evidence Guide

EVIDENCE GUIDE

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the ability to:

- compile financial information and data and analyse this to make financial prices
- record financial transactions.

Context of and specific resources for assessment

Assessment must ensure:

- competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment
- access to and the use of a range of common office equipment, technology, software and consumables
- access to financial services product information
- access to dealing system and data.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit:

- evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency
- verbal or written questioning on underpinning knowledge and skills
- evaluating samples of work
- accessing and validating third party reports.

Guidance information for assessment

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Market position may include:

- financial 'O' curves
- forward exchange rate curves
- future curves
- yield curves.

Investment concepts may include:

- all ordinaries and other market indicators
- bull and bear markets
- capital growth
- cyclical stocks
- diversification
- dividends and dividend imputation (franked dividends)
- growth stocks
- market capitalisation
- market turnover
- portfolio construction strategies
- ratios to analyse and select shares (PE ratio)
- return on investment
- top-down, bottom-up approach to investment analysis
- types of order limits, at market
- valuation methods for equities
- yield.

Relevant ***data*** may include:

- economic fundamentals:
 - Consumer Price Index (CPI)
 - Gross Domestic Product (GDP)
 - wage index
 - job vacancies
 - building approvals
- technical analysis and charting.

Financial products may include:

- capital markets
- cash
- commodities:
 - hard
 - soft

RANGE STATEMENT	
	• derivatives: • forward rate agreements • swaps • options • futures • electricity contracts • foreign exchange • government bonds • managed funds • negotiable and transferable instruments • reciprocal purchase agreements • securities: • debt • equity.
<i>Client requirements</i> may include:	• client credit rating • degree of risk undertaking • required return • size of transaction • terms of transaction.
<i>Transaction details</i> may include:	• considerations • counterparty • face value • maturity date • price • start date • trade date.

Unit Sector(s)

Unit sector	Financial markets
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		