

# Comparison of current qualification to new qualification

## Existing Content

The following table relates the unit standards in the national qualification to the outcomes of the New Zealand qualifications.

To be awarded the qualification, all graduates have proven they meet these graduate outcomes. Candidates must show they have learnt the equivalent of the content described by the unit standards, even if they are not also awarded the unit standards while being awarded the qualification.

To be awarded the qualification with the Financial Advice strand, candidates must also be awarded the unit standards in Standard Set B and Standard Set C. The centralised assessment system will be updated to reflect amendments to unit standards.

### NEW EXPRESSION

STANDARD SET	REQUIRED OUTCOMES EXPRESSED IN NEW QUALIFICATION	NEW UNIT STANDARDS	AUT PAPER COMPARISON
Standard Set A	Graduates will be able to: <ul style="list-style-type: none"> <li>– Act in the best interest of the client by demonstrating professional practice in the application of legislation, regulations, ethics, risk and compliance that is common to all sectors of the financial services industry.</li> <li>– Apply understanding of research and analysis processes to develop fit for purpose financial solutions.</li> <li>– Operate with understanding of financial institutions, systems, and markets, and their interdependencies.</li> <li>– Operate with understanding of the economic environment and its connection to the financial markets and their participants.</li> </ul>	28363 Demonstrate understanding of financial services best practice, professionalism, and recognised advice process 28364 Demonstrate understanding and application of the regulatory environment for financial services 28365 Demonstrate understanding and apply research and analysis processes to develop fit for purpose financial solutions 28366 Demonstrate understanding of the economic environment and financial system and their interdependencies	Bachelor of Business (Finance) Graduate Diploma in Business (Finance)
Standard Set D	Graduates will be able to: <ul style="list-style-type: none"> <li>– Apply understanding of investment concepts, and legislation and regulations that are of particular relevance to the provision of investment services, to provide services in a professional manner.</li> <li>– Operate with broad understanding of the relationship between investment products and services, and individual's needs.</li> <li>– Apply the principles of investment analysis to provide appropriate solutions to investment needs.</li> </ul>	28375, Demonstrate understanding of investment concepts and the associated regulatory environment 28376, Demonstrate understanding of investment assets and apply appropriate assets to meet identified investment objectives 28377, Demonstrate and apply understanding of investment analysis techniques used to test against predetermined requirements	395000 Introduction to Finance 396002 Corporate Finance 396003 Investment and Portfolio Analysis 396006 Personal Finance 397001 International Corporate Finance 397003 Financial Risk Management 3397006 Financial Modelling and Data Analysis

Table 1: Overview of coverage of Standard Sets

NEW ZEALAND CERTIFICATE INVESTMENT STRAND	AUT PAPER COMPARISON - DETAILED	
28375 Outcome 1	<p>Demonstrate understanding of investment asset classes, financial instruments, and investment services and how they are utilised in developing or implementing investment strategies.</p> <p>Range asset classes include but are not limited to – equities (shares), fixed interest investments including government and non-government debt, property investments, alternative investments such as derivatives, private equity, and hedge funds, cash. Both domestic and international variations of an asset class are included where both are ordinarily available. Financial instruments include but are not limited to – direct equities, direct bonds, managed investments, KiwiSaver.</p> <p>Evidence requirements</p> <p>1.1 Describe investment asset classes in terms of types and characteristics.</p> <p>Range characteristics include but are not limited to – benchmark and long term expected return, risk, liquidity, mix of investment gain between income and capital growth.</p> <p>1.2 Describe financial instruments in terms of types and characteristics.</p> <p>Range characteristics include but are not limited to – fee structures, liquidity, taxation, standard terms and conditions.</p> <p>1.3 Describe investment services in terms of types and characteristics.</p> <p>Range investment services include but are not limited to – custody, wrap platforms, and Discretionary Investment Management. characteristics include but are not limited to – fee structures, liquidity, taxation, standard terms and conditions.</p> <p>1.4 Describe the effects of changes in the economic environment in relation to the performance of asset classes.</p> <p>Range economic environment includes but is not limited to – international economic and business cycles, local economic and business cycles, interest rates, exchange rates, inflation, government monetary and fiscal policies, regulatory and tax regimes.</p>	<p>395000 Introduction to Finance 396006 Personal Finance 396002 Corporate Finance 396003 Investment and Portfolio Analysis 397003 Financial Risk Management</p> <p>396006 Personal Finance</p> <p>396006 Personal Finance</p> <p>396003 Investment and Portfolio Analysis 397001 International Corporate Finance 397003 Financial Risk Management</p>
28377	<p>Outcome 1 Demonstrate understanding and application of quantitative analysis techniques.</p> <p>Range quantitative results and financial ratios can be obtained from available tools such as online or software calculators or spread sheets and are not required to be derived by manual calculation.</p>	<p>396003 Investment and Portfolio Analysis 397006 Financial Modelling and Data Analysis</p>
	<p>1.1 Explain and demonstrate the applicability of quantitative analysis techniques used for investment valuation and management.</p> <p>Range simple, compound and effective interest rate; internal rate of return; effect of inflation; rate of return on an investment; average return; measures of volatility including probability and standard deviation.</p>	<p>395000 Introduction to Finance 396002 Corporate Finance 396003 Investment and Portfolio Analysis</p>
	<p>1.2 Explain and demonstrate the applicability of quantitative analysis techniques used for measuring share performance.</p> <p>Range price/earnings ratio, dividend yield, debt/equity ratio.</p>	<p>396002 Corporate Finance 396003 Investment and Portfolio Analysis</p>
	<p>1.3 Explain and demonstrate the applicability of quantitative analysis techniques used for measuring bond performance.</p> <p>Range explanation includes but is not limited to – yield, value or price, annualised return, coupon, term to maturity, credit rating, cum-interest, ex-interest, duration, capital and accrued components; demonstration includes – yield, value or price, annualised return.</p>	<p>396003 Investment and Portfolio Analysis</p>
	<p>1.4 Explain and demonstrate the applicability of quantitative analysis techniques used for measuring property performance.</p> <p>Range includes but is not limited to – initial yield, debt coverage ratio, income yield, debt/equity ratio, common valuation methodologies.</p>	<p>396006 Personal Finance</p>
	<p>1.5 Explain the applicability of quantitative analysis techniques used for evaluation of managed investment performance.</p> <p>Range includes but is not limited to – Alpha, Beta, Sharpe Ratio.</p>	<p>396003 Investment and Portfolio Analysis</p>
	<p>1.6 Explain and demonstrate the applicability of quantitative analysis techniques used for measuring portfolio performance.</p> <p>Range explanation includes but is not limited to – weighted average return, correlation coefficient of asset pairs, attribution analysis; demonstration includes – weighted average return.</p>	<p>396003 Investment and Portfolio Analysis 397006 Financial Modelling and Data Analysis</p>
	<p>1.7 Explain and demonstrate the impact of foreign exchange fluctuations on investment return.</p>	<p>397001 International Corporate Finance</p>
28375	<p>Outcome 2 Demonstrate understanding of portfolio construction techniques.</p>	
	<p>2.1 Explain portfolio management theories in terms of asset allocation, diversification, and risk management.</p>	<p>396003 Investment and Portfolio Analysis</p>
	<p>2.2 Explain portfolio management approaches in terms of methodology and diversification benefits.</p> <p>Range methodologies include but are not limited to – active/passive, value/growth, country and sector allocation.</p>	<p>396003 Investment and Portfolio Analysis 396006 Personal Finance</p>
28375 Outcome 3	<p>Demonstrate understanding of the concept of investment risk and return and its relevance to developing or implementing investment strategies.</p> <p>Range investment risk includes but is not limited to – capital risk, currency risk, financial risk, market risk, liquidity risk, negative returns, returns below inflation rate.</p>	<p>396003 Investment and Portfolio Analysis 397001 International Corporate Finance</p>
	<p>Evidence requirements</p>	

	3.1 Describe the nature of investment risk in relation to different types of investment strategies.	396003 Investment and Portfolio Analysis 396006 Personal Finance
	3.2 Evaluate processes and solutions for managing investment risk and return for effectiveness using appropriate quantitative analysis techniques.  Range processes and solutions may include but are not limited to – diversification of asset allocation and management style, risk insurance, derivative products, currency management, dollar cost averaging.	396003 Investment and Portfolio Analysis 397003 Financial Risk Management 397001 International Corporate Finance
28377	Outcome 2  Apply the outcome of quantitative analysis to determine whether an analysed option meets predetermined requirements.  Range may include but is not limited to product development, maintenance of a recommended list of securities for use in providing client advice, or identifying appropriate users of a product.  Evidence requirements  2.1 Explain what attributes, if any, of the researched option are shown to meet the predetermined requirements.  2.2 Explain what attributes, if any, of the researched option are shown to not meet the predetermined requirements.  2.3 Provide justification of whether, on balance, the researched option meets or does not meet the predetermined requirements.	396006 Personal Finance  396006 Personal Finance  396006 Personal Finance
28365 (Core)	<p style="color: red;">The following content from the Core unit standards is more comprehensive in content than simply 'review information sources', although it is NOT investment specific.</p> Outcome 1  Demonstrate understanding of research and analysis processes used in assessing, reviewing, or comparing a product, service, or solution.  Evidence requirements  1.1 Identify and describe key steps and activities in a research and analysis process.  1.2 Explain the importance of the relevant activities and the contribution they make to identifying fit for purpose client solutions.  Outcome 2  Conduct appropriate research when performing analysis and developing fit for purpose financial solutions, and provide a supporting rationale.  Range at least 3 examples must be provided, arising from different research scenarios that should vary in complexity and situation.  Evidence requirements  2.1 Using case study, simulation, or workplace derived evidence, apply a research process to a range of situations.  2.2 Based on the research process outcome, compare alternative courses of action and recommend, with justification, the preferred course of action.	396006 Personal Finance 396003 Investment and Portfolio Analysis  396006 Personal Finance  396006 Personal Finance  396006 Personal Finance  396006 Personal Finance
28375	1.5 Perform time value of money calculations to analyse or quantify common investment goals and objectives.  Range includes but is not limited to – present value of a future lump sum, present value of a future cash flow, future value of a current lump sum, future value of a cash flow, regular payment required to create a future value, regular payment from a current lump sum.  Results are not required to be generated from first principles or formula, use of financial calculator, spread sheets or software tools is acceptable, including on-line resources.	395000 Introduction to Finance 396002 Corporate Finance 396003 Investment and Portfolio Analysis 396006 Personal Finance 397006 Financial Modelling and Data Analysis

Table 2: Standard Set D: Detailed view of old to new unit standard relationships