



International Introduction to Securities & Investments

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From 1st January 2022:
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International Introduction to Securities & Investment

The objective of the examination is to provide candidates with a basic introduction to the financial services industry with a focus on investments.

The examination will test candidates' knowledge and understanding of the following elements:

- Introduction
- Economic Environment
- Financial Assets and Markets
- Equities
- Bonds
- Derivatives
- Investment Funds
- Regulation & Ethics
- Other Financial Products

Study Support

At the CISI we aim to ensure you perform to the very best of your ability in any CISI examination you undertake.

These can all be accessed quickly and easily by logging in to My Study – our online platform for student members

- CISI workbook
- Ebook (Apple, Android, Microsoft and Kindle compatible)
- Revision Express
- Professional Refresher
- Preparatory course at the university



Use the Professional Refreshers!

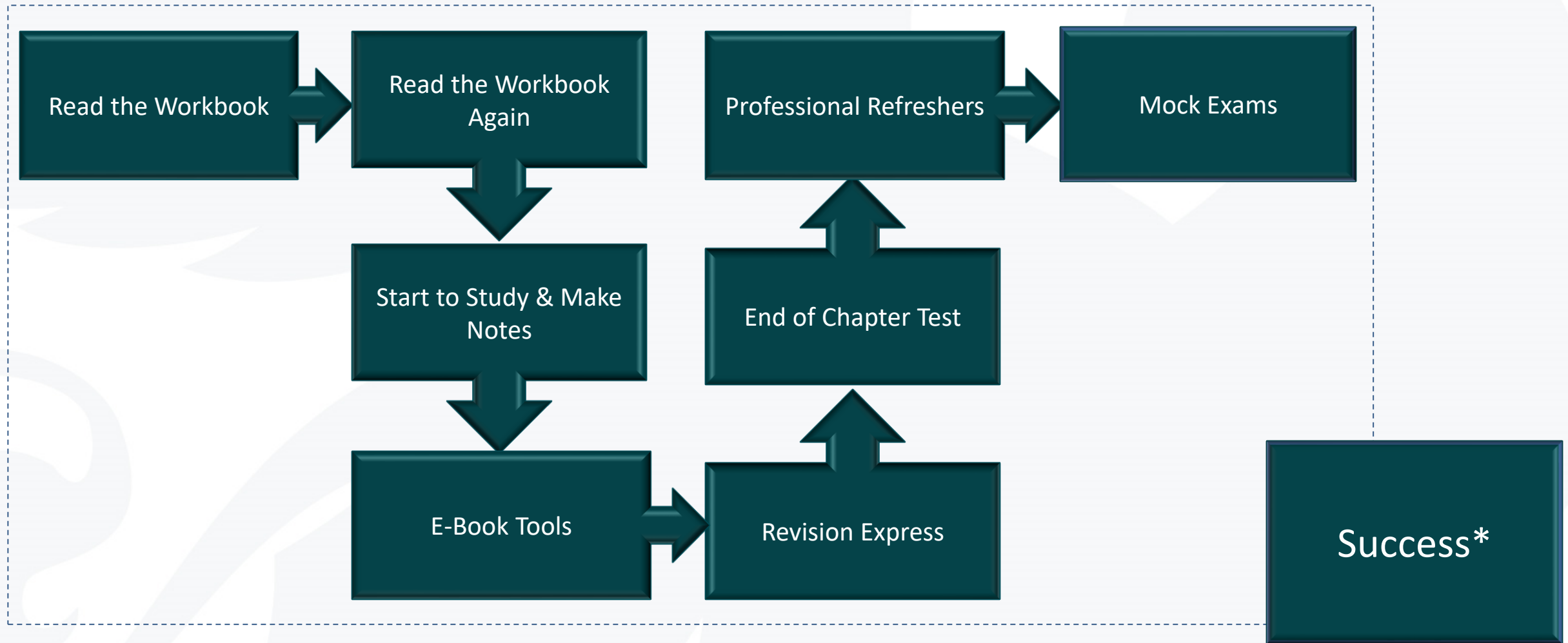
There are over **200 eLearning modules** available at the moment and they cover the nearly 50 of the exam topics in more detail. Over 50 hours of study and access to additional comprehension questions. These include:

- Introduction to Financial Services
- Shares Essentials
- Bonds Essentials
- Derivatives
- Investment Principles and Risk
- Financial Crime

An essential part of your self study program to help you pass your exam.

The Workbook: Core and Essential Guide

First lesson in passing a CISI exam: READ THE WORKBOOK!



*There are no guarantees so study hard and use the process

Why use an E-Book?

You can take it everywhere you go on your phone or iPad

It's environmentally-friendly

Easily navigate with the search function

Highlight, add notes and bookmark pages

View relevant videos

Watch animations

Pop-up Glossary Terms

Make use of the Interactive Syllabus Learning Map as well as Animated Diagrams and Tables

Answer interactive test questions

The screenshot shows a mobile application interface for an e-book titled "International Introduction to Securities & Investment". The page displays a multiple-choice question: "1. Which of the following is a monetary policy tool that a central bank would use to manage the economy?". The options are: (A) Altering tax rates, (B) Reducing welfare payments, (C) Increasing government spending, and (D) Changing interest rates. Option (C) is marked as incorrect with a red 'X' in a circle. Below the options is a "Reveal answer" button and a reference: "See Chapter 2, Section 3". At the bottom of the screen, a virtual keyboard is visible with various symbols and letters.

International Introduction to Securities & Investment AA 🔍 📖

1. Which of the following is a monetary policy tool that a central bank would use to manage the economy?

- (A) Altering tax rates
- (B) Reducing welfare payments
- (C) Increasing government spending
- (D) Changing interest rates

[Reveal answer](#) *See Chapter 2, Section 3*

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Why Use Revision Express?

Lesson 2: It is your eLearning with practice exam questions so cannot be skipped!

Each chapter summary provides additional notes, videos and animations plus useful weblinks which makes revising interactive and helps you reinforce your learning strategies

Revision Express



Introduction to Securities and Investment edition 36

This edition expires on 31 July 2021

1. The Financial Services Industry

2. The Economic Environment

3. Financial Assets and Markets

4. Equities

5. Bonds

6. Derivatives

7. Investment Funds

8. Financial Services Regulation and Professional Integrity

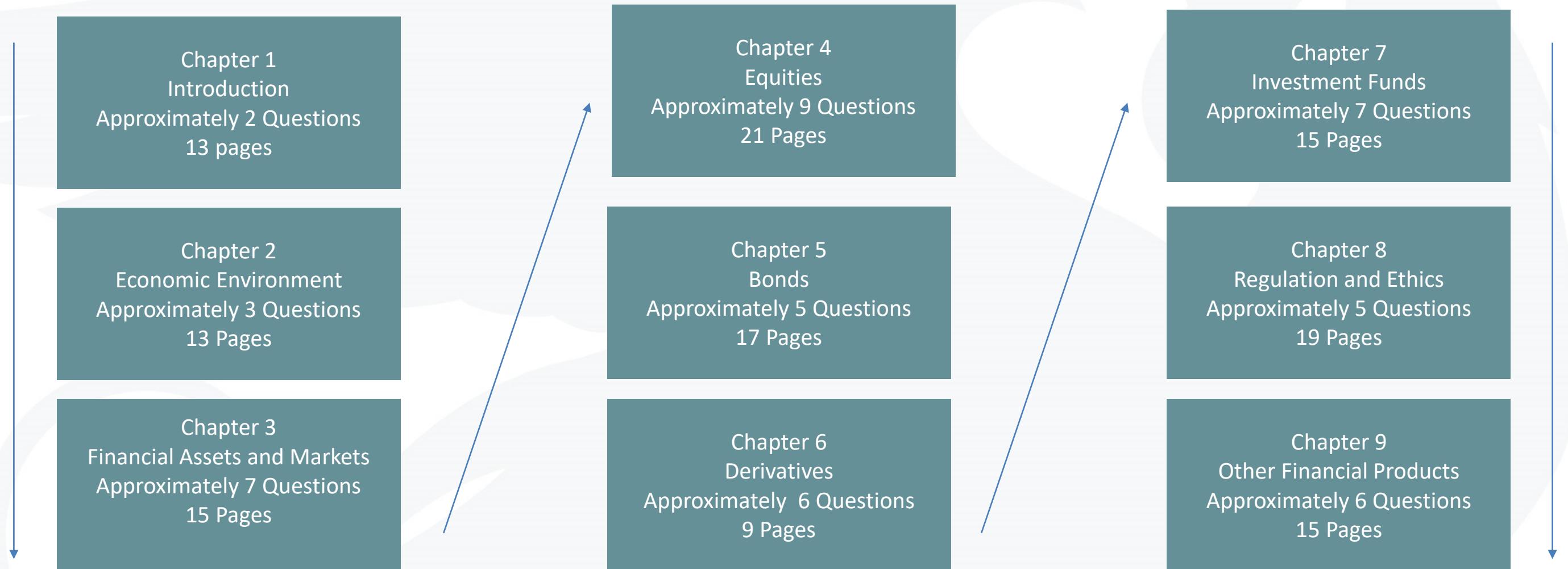
9. Taxation, Investment Wrappers and Trusts

10. Other Financial Products

11. Financial Advice

Module Test

Chapters and Study: 80h – 100h; 50 exam questions; 70% pass mark



It is recommended that at least 80 hours are required to complete the study for this exam. The above times are an example based on the size of the workbook and number of pages per chapter. Those in brackets are weighted to the number of questions per chapter based on 80 hours study and 50 questions. This of course is just an example and you should work on the timings you require to complete your studies.

Chapter 1: The Financial Services Sector

This chapter is all about setting the scene.

Introduction

Once upon a time the financial sector developed into a major contributor to the economy

Professional & Retail Business

Wholesale Market: Equity, Bond, FX, Derivatives, Insurance Market, Fund Management, Investment Banking, Custodian Banking

Retail Sector: Retail Banking, Life Assurance & Protection, Pensions, Investment Services and financial planning & advice

Participants

An understanding of what the main participants do...Retail Banking, Savings Institutions, Crowdfunding, Investment Banks, Fund Managers, Insurance Companies, Pension Funds, Stockbrokers and Wealth Managers, Custodian Banks and Third Party Administrators

Investment Distribution Channels

Know the difference between Financial Planning, Financial Advice, Execution–Only and Robo-Advice

Chapter 2: The Economic Environment

The broader economic environment and how economic activity is determined. It's all in the News!

Factors Determining Economic Activity

Looking how each country uses its resources that influence their ability to grow their economy

Central Banks

A beginners guide to the role of central banks, managing national debts, fiscal policy, Bank of England, Monetary Policy Committee, Quantitative Easing, European Central Bank and the FED

Inflation

The impact of inflation and the problems high inflation can cause

Key Economic Indicators

Consumer Price Index (CPI), Retail Price Index (RPI), Consumer Price Inflation including Housing costs (CPIH), Gross Domestic Product (GDP), Economic Cycles, Balance of Payments, Deficits, National Debt and unemployment rates

Chapter 3: Financial Assets & Markets

Understand what happens to your money when its not in your pocket.

Cash Deposits

Fixed term and instant access deposits

Money Markets

Capital Markets and Money Market instruments, T-bills, Commercial Paper, Certificate of Deposits.
Money Market funds

Property

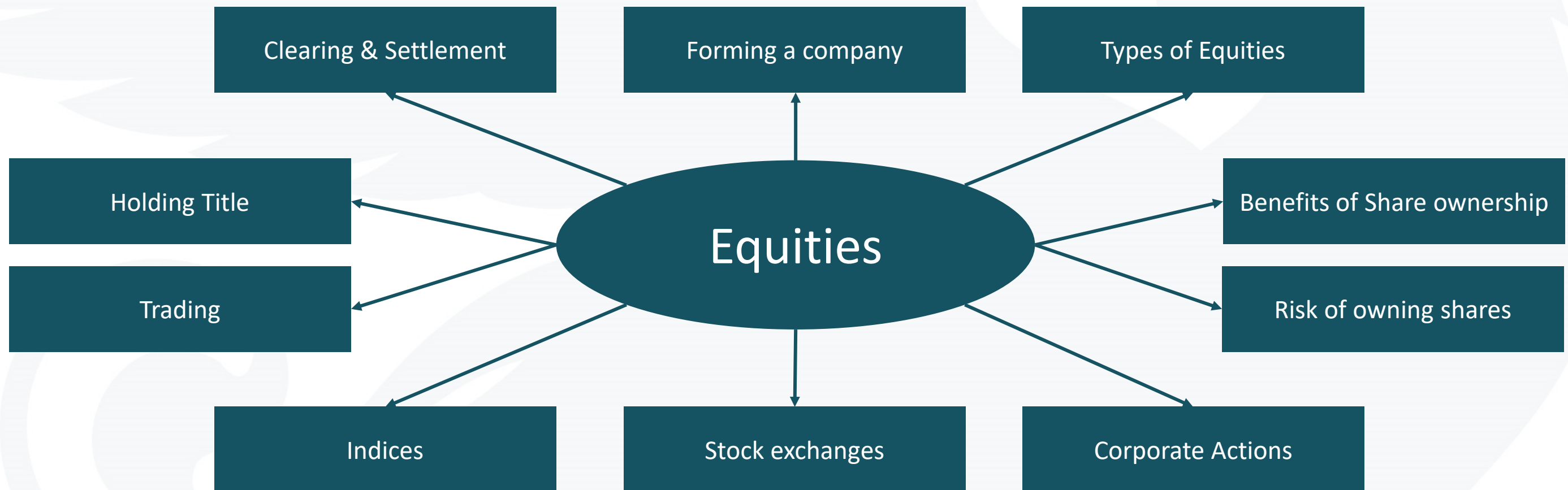
Characteristics of property investments, commercial and residential property

Foreign Exchange

Understand the structure of the FX market, Currency Quotes (GBP/USD), FX Transactions: spot, forward, future and swap; Forward Exchange Rates

Chapter 4: Equities

From the forming of a company to its launch on the stock exchange, the benefits and the risks.



Chapter 5: Bonds

Not as exciting as James Bond but they are the largest in terms of global investment value.

Characteristics of Bonds

Raising money to finance an investment by issuing a bond ...a loan

Government Bonds

Governments issue bonds to finance their spending and investment plans and to bridge the gap between their actual spending and the tax and other forms of income that they receive

Corporate Bonds

Corporations looking to raise investment without issuing shares, with Medium Term Notes, Fixed Rate, Interest Bearing, Convertible, Zero Coupon, Domestic & Foreign, Eurobonds, Asset-Backed Securities and Covered Bonds

Investing in Bonds

Advantages & disadvantages, the risks involved such as liquidity, yields, rating agencies: Moodies, Standard & Poor's and Fitch

Chapter 6: Derivatives

A financial instrument whose price is based on the price of an underlying asset.

Futures

A legally binding obligation between two parties for one to buy and the other to sell a pre-specified amount of an asset at a pre-specified price on a pre-specified future date

Options

An option gives a buyer the right, but not the obligation, to buy or sell a specified quantity of an underlying asset at a pre-agreed exercise price, on or before a pre-specified future date or between two specified dates

Swaps

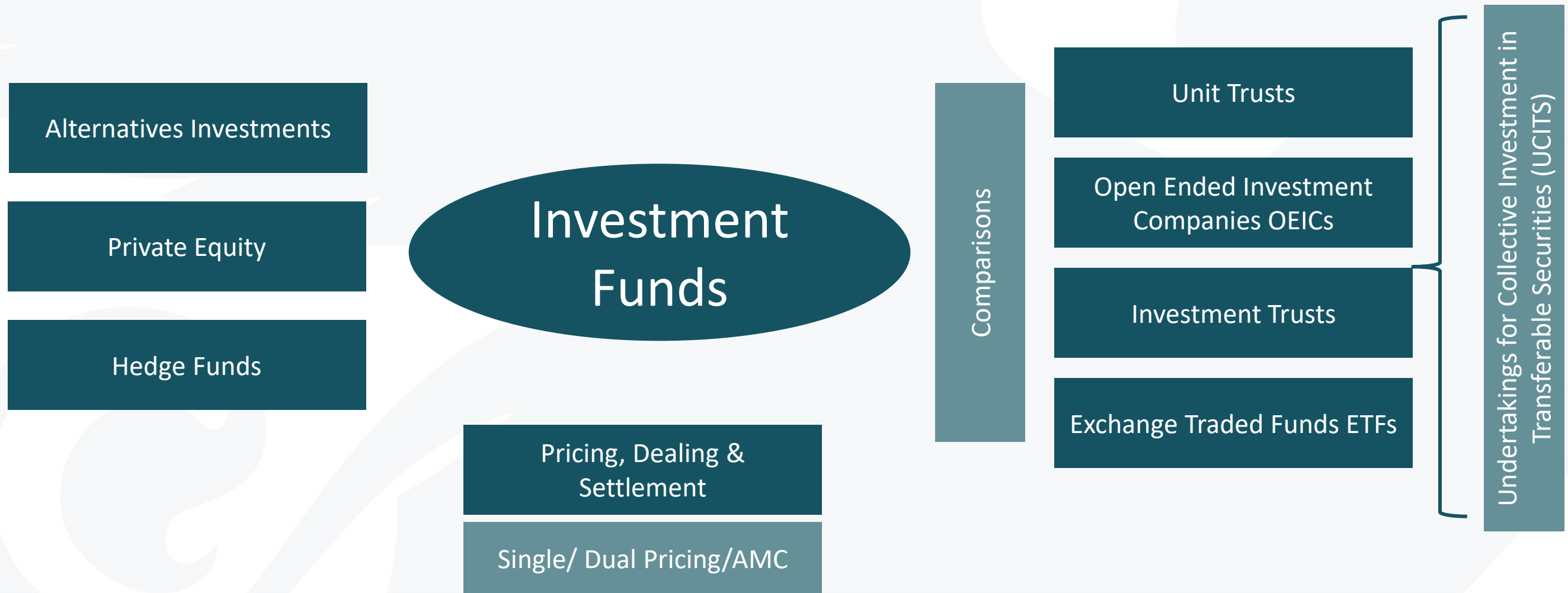
A swap is an agreement to exchange one set of cash flows for another. They are most commonly used to switch financing from one currency to another or to replace floating interest with fixed interest.

Derivatives & Commodities Markets

Two distinct groups of derivatives OTC derivatives and exchange-traded derivatives (ETDs), we also look at the markets: CME, ICE, EUREX, LME and the pros n cons.

Chapter 7: Investment Funds

One of the major parts of the UK financial services sector with over £4.1 trillion managed in the UK for UK & Overseas investors



Chapter 8: Regulation & Ethics

An understanding of regulation is essential in today's investment world.

Financial Services Regulation

MiFID	ESMA
FCA & PRA	SMCR, Approved Persons and Conduct Risk
Treating Customers Fairly	Authorisation

Financial Crime

Money Laundering (Placement, Layering & Integration)
Bribery
Identity Theft
Cyber crime

Insider Dealing & Market Abuse

Data Protection & GDPR

Complaints & Compensation

Integrity & Ethics

Chapter 9: Other Financial products

And a few introductions to some other areas ...

Loans

Overdraft, Credit Cards, Loans, Commercial Loans, Interest Rates

Property & Mortgages

Characteristics of the Property Market, Mortgages, Mortgage Rates, Repayment, Interest-Only

Investment Bonds

A single premium life assurance taken for the purpose of investment with favourable tax treatment

Life Assurance

An introduction to the key terms, Whole of Life Assurance & Term Assurance

Protection Insurance

Critical Illness, Income Protection, Mortgage Payment Protection, Accident and Sickness Cover, Household Cover, Medical Insurance, Long-Term Care, Business Insurance

Sample exam test question 1

1 Allied Invest plc is a small firm which has major cash flow problems. Which of the following is the key risk faced by this firm?

Credit risk

Counterparty risk

Operational risk

Liquidity risk

Answer

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Sample exam test question 2

2 Which of the following is the most accurate description of the issue expressed by the term 'too big to fail'?

A financial institution may become so large and important to the wider economy that the government feels obliged to bail it out using taxpayers' money rather than allow it to fail

The insolvency process for banks is too expensive for its shareholders

A firm may become so large that it exceeds the maximum size for the standard insolvency process (measured by number of employees)

Under US law the insolvency rules do not apply to financial services firms since they have an exemption under the Banking Act

Answer

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Sample exam test question 3

3 Why do regulators collect data?

To know the venues being accessed by investment firms

To detect and pursue suspected instances of market abuse

To collate market share statistics

To store it should it be required by a venue to explain price movements

Answer

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Dziękuję!

Pytania?