

Examination instructions:

In principle there is no “solution” or model answer to a case problem. However a summary of important issues have to be addressed.

As a guideline, percentage of mark of a case problem will be given as follows:

Information Acquisition	5%
Analysis	80%
Conclusion and Integration	10%
Execution & Follow Up	5%

Point form is acceptable in the Information Acquisition, Execution & Follow Up sections but not in the Analysis, Conclusion and Integration sections. Copying of statements and figures from the original case problem will not earn you any marks and should be avoided as it is just a waste of your valuable time.

Obviously you have to focus on the Analysis section as it represents 80% of the mark allocated. In the Analysis section, you have to identify and discuss the pros and cons of different options.

There is no fixed order to follow in each section. Depending on individual case and clients’ circumstances and objectives, some areas will dominate their financial plan. However all areas should be covered as far as possible in every financial plan.

If you wish, you may use the following format to write your financial plan:

SUGGESTED FINANCIAL PLAN FORMAT

1. Information Acquisition (5%)

- a) Personal profile
- b) Investment profile
 - Risk tolerance
 - Investment knowledge
 - Investment involvement
- c) Financial goals and objectives
- d) Financial assumptions used
- e) Special challenges

2. Analysis (80%)

Wealth Evaluation

- Net worth statement
- Cash flow projection
- Threats
- Opportunities
- Recommendations

Investment planning analysis

Emergency fund
Asset allocation
Risk exposure and diversification
Managed account
Recommendations

Tax planning analysis

Tax deductions & credits
Tax consequences on retirement & estate
Income splitting
Tax efficiency
Offshore companies
Business succession planning

Risk management analysis

Risk of death
Risk of disability
Medical, property and liability risk
Recommendations

Retirement planning analysis

Retirement needs
Retirement fund available
Recommendations

Estate Planning analysis

Estate planning needs
Wills
Bequests & donations
Probate
Trust
Recommendation

3. Conclusion & Integration (10%)

Cash flow
Financial objectives
Special issues & concerns
Customized & integrated financial plan

4. Execution & Follow Up (5%)

Legal and ethical compliance
Confidentiality and compensation
Assignment of responsibilities
Coordination of experts
Follow up