

Chief Examiners Report

Advanced Global Securities Operations – June 2008

The June examination was sat by 8 candidates of which 7 attained a pass including 2 with credit.

Below, I have summarised performance in each of the questions.

Section A (10 technical questions 3 marks each)

Question 1

Only 1 candidate met the expectations in full. 2 candidates scored 0. The expectations were derived from the AGSO workbook. I think this shows a relatively poor understanding of the *regulatory requirements*.

Question 2

Only 2 candidates achieved full marks. However 5 candidates scored 2 and 1 candidate scored 1. This is reasonable scoring from an industry point of view. However, I would have expected the *SDRT* to have been better understood.

Question 3

Candidates gave an excellent performance on this question. 7 candidates achieved full marks. All candidates achieved a score. Knowledge of *Gilts* is good.

Question 4

Again, a very good performance by most candidates. 6 candidates attained full marks, 2 attained 2 marks. Knowledge of the way that *Sub-Custodians levy charges* is good.

Question 5

Only 1 candidate achieved full marks. 4 candidates scored less than full marks and 2 candidates did not attain any marks at all. The candidates did not perform too well when giving their understanding of *Manufactured Dividends*.

Question 6

The marks attained were 54% of the available marks. Only 2 candidates scored full marks, 2 others scored 2 marks. Most candidates did not understand that the service provider of *Contractual Settlement* was actually providing a cash management facility.

Question 7

An excellent showing. All candidates achieved a full 3 marks, understood how *Voluntary* and *Mandatory* corporate actions differ and could give examples to prove their understanding.

Question 8

Another excellent performance. All candidates were able to exhibit understanding of the *Advantages* and *Disadvantages of STP* and scored full marks.

Question 9

A very good total of 79% of available marks was achieved by the candidates. 4 candidates achieved full marks. The *Skills of Transition Management* are well known.

Question 10

An excellent showing on this question again. All candidates scored full marks. Candidates seem to keep themselves informed of *Market Developments*.

Section B (3 Managerial questions 10 marks each)

Question 11

This year has seen a marked improvement in this section. Up from a disappointing attainment level of 36% in December 07, to a 59% attainment this time. Only 2 candidates did not attain a respectable score. This was the first of the management type questions. Most candidates were able to distinguish between *Pre and Post trade settlement* activities.

Question 12

An even more encouraging attainment level of 86% was achieved. 5 candidates scored an excellent 10 marks. Only 1 candidate was not able to adequately tell us what a *Bonus Issue* is and tell us why there could be *benefits to both shareholders and the company*.

Question 13

A relatively disappointing response was given to this question. An attainment level of 51% was achieved. The more worrying aspect of this performance is that this question is in the *Regulatory Requirement* area.

Section C (2 Analytical / Managerial questions 20 marks each)

Question 14

This overall section is another to see a marked improvement in performance. The average attainment level has increased from 53% in December 07 to a level of 62% in June 08. This particular question was answered by 3 candidates who scored 10, 12 and 15 marks respectively.

Question 15

This question was answered by 5 candidates. 3 candidates scored 14 marks or better but none were exceptional.

Section D (2 Analytical / Managerial questions 20 marks each)

Question 16

This question was answered by all 8 candidates. The attainment level is seen to be 58% but one candidate was awarded 0 marks. All of the other candidates scored 10 marks or better, the best being 16 marks.

Question 17

This question was not answered by any of the candidates.

General Guidance to students

- Be sure that you understand the question. Take time to read the question and be sure that you give yourself time for proper comprehension.
- Examine the words used in the question fully.
- Do not attempt the exams unless you have had time to attain a broad range of in depth on the job experience.
- If you do not know the answer say so, do not waste time on trying to fabricate an answer.