



Taxation, Retail Investment and Pensions

Assignment 4

(Part 3 – Investment)

Recommended Time: 3 Hours

1. Describe the attributes of the following asset classes, including their risk profile, how they are traded, and entitlements derived from ownership where appropriate:
 - (i) Equities - UK and Overseas
 - (ii) Bonds - Government and Corporate
 - (iii) Commercial Property
 - (iv) Cash.

20 marks

2. Explain the main features of each stage of a typical economic cycle.

5 marks

3. Explain the characteristics of multi manager funds and compare them with a wrap.

20 marks

4. Absolute return funds have become an area of growing industry focus and debate, and one of your colleagues has asked you to pull together an overview describing their characteristics, three methods they employ to achieve their objectives, and their potential benefits. Prepare this overview in the form of a briefing note which would also be suitable to issue to clients.

20 marks

5. Prepare a short note for a client that outlines the features of:
 - (a) Individual Savings Accounts (ISAs);
 - (b) Lifetime ISAs and
 - (c) Exchange Traded Funds.

15 marks

6. For a typical economic cycle:
 - (a) Explain how the different stages of an economic cycle might be identified by inflation and exchange rate data and other economic indicators; and
 - (b) Describe how fiscal and monetary policy might be used by governments within each stage.

10 marks

7. Describe the Seed Enterprise Investment Scheme (SEIS) and the main tax saving features for an SEIS.

10 marks