



Subject Outline

FPC001B Economic and Legal Context for Financial Planning



Section 1 — General information

1.1 Administrative details

Duration	Credit points	Level
One study period (12 weeks)	6	AQF8

1.2 Core or elective subject

This is a core subject for the Graduate Certificate in Financial Planning, Graduate Diploma of Financial Planning and Master of Financial Planning.

1.3 Delivery mode

This subject is delivered online.

1.4 Prerequisites

There are no prerequisites for this subject. However please review the 'Assumed knowledge' section below to understand the prior knowledge Kaplan advises you should hold before enrolling in this subject.

1.5 Assumed knowledge

Not applicable.

1.6 Course transition subject equivalence

Students may not be required to complete this subject if they have transitioned from a SIA/Finsia/Kaplan course and have completed the following subjects:

- there are no equivalences for this subject.

1.7 Work integrated learning

There are no placements, internships or work experience requirements associated with undertaking this subject.

1.8 Other resource requirements

Students do not require access to specialist facilities and/or equipment to undertake this subject.



Section 2 — Academic details

2.1 Subject overview

This subject focuses on key economic and commercial law concepts, including economic issues of current relevance. This subject is designed to develop the ability to interpret basic economic information and understand the impact of current economic and market events. The subject highlights the prescribed areas of the Australian legal system, law of entities, contract law, property law and tort law and negligence, introducing students to the key drivers of law and regulation in the Australian financial services industry.

On completion of this subject, students will be able to appreciate the critical role that economics and commercial regulation play in wealth management and financial planning.

Students will follow a fictitious case study through much of the assessment, so that they may apply their understanding of the above concepts and explore issues that could apply in financial planning.

This subject complies with Corporations (Relevant Providers — Education and Training Standards) Determination 2021, division 3, section 3-65 Specified course: commercial law.

2.2 Subject learning outcomes

On successful completion of this subject, students should be able to:

1. Distinguish between the different roles of participants in financial markets.
2. Analyse how changes in government policy and key economic indicators impact Australian and global financial markets.
3. Examine the main sources and regulatory structure of financial services law in Australia, including participants' ethical and legal obligations.
4. Analyse the nature, meaning and form requirements of contracts, and examine the impact of legislation upon contract law.
5. Describe the characteristics of sole traders, partnerships, corporations, and trusts and determine the regulatory implications for each entity.
6. Explore and apply the common law elements of tort law and negligence, and the misleading and deceptive conduct provisions in the context of financial advice.

2.3 Topic learning outcomes

Topic 1: Overview of global financial markets and participants

On successful completion of this topic, students should be able to:

- explain the flow of funds in the financial system
- explain the roles of participants in the financial services industry
- explore the interrelationship between market participants
- outline the process of intermediation and the advantages it brings to financial markets
- explain the factors that have caused financial markets around the globe to become interrelated
- explain the advantages and disadvantages of globalisation for a country's economy and its financial markets
- describe the main features of overseas financial systems relevant to Australia.

Topic 2: Economic principles and management

On successful completion of this topic, students should be able to:

- explain supply/demand analysis to determine the impact of changing market forces on the supply, demand or price of a product
- compare the usefulness and limitations of economic indicators for financial markets
- explain the various measures of wage and price inflation
- assess the current stance of monetary and fiscal policy in Australia
- assess the market and economic impact of a change in monetary policy
- examine the factors that have contributed to the retirement savings gap in Australia and the steps being taken to address this
- examine the advice issues relating to Generation X and Y clients.

Topic 3: Introduction to the Australian legal system

On successful completion of this topic, students should be able to:

- distinguish the source of Australian law and regulation
- explain how legislation and case law are created
- source and interpret the components of legislation and case law
- explain the purposes of financial services law and the main laws regulating the Australian financial services system
- distinguish between ethical and legal issues for providing financial services in Australia.

Topic 4: Overview of financial services law and regulations

On successful completion of this topic, students should be able to:

- analyse the regulatory structure for financial services in Australia
- outline the background to the Corporations Act and its civil and criminal penalty regime
- describe the role, obligations and rights of the main participants in the financial services system
- explain the objects and key definitions under Chapter 7 of the Corporations Act
- explain recent developments in the regulation of the financial services system, especially in connection with financial advice and financial planning.



Topic 5: Regulatory framework

On successful completion of this topic, students should be able to:

- examine the main functions and powers of each of Australia's main financial services regulators
- explain how the ASX monitors market participants and listed entities
- explain the self-regulation by industry bodies
- describe the main regulators in other countries that are relevant to Australia
- explain the roles of the principal international financial regulatory bodies
- explain the role of the Basel framework in Australia.

Topic 6: Australian financial services licence

On successful completion of this topic, students should be able to:

- summarise the background to, and purpose of, the Australian financial services (AFS) licence system
- identify who must hold an AFS licence and exemptions
- explain how to apply for a licence and the reasons why it may be cancelled or suspended
- explain key financial concepts which apply in holding an AFS licence and the role of representatives and other professionals
- explain in detail a licensee's 'general obligations' under ss 912A and 912B of the Corporations Act
- explain the significance of a 'retail client'
- analyse the other obligations of a licensee under the Corporations Act.

Topic 7: Disclosure

On successful completion of this topic, students should be able to:

- describe the separate disclosure regimes for securities and other financial products
- identify key disclosure documents required when providing financial product advice to the retail sector
- assess the situations in which disclosure documents are required and identify the relevant documents
- describe what must be included in different product disclosure documents
- apply disclosure documentation rules and 'continuous disclosure' rules to given situations.

Topic 8: Business structures

On successful completion of this topic, students should be able to:

- explain the choice of structures for business or investment holdings
- describe the advantages and disadvantages for a sole trader, partnership, trust and company
- describe the fundamental legal concepts of business organisational structures
- explain the basic consequences of each structure for a client.

Topic 9: Contract and property law

On successful completion of this topic, students should be able to:

- analyse the nature and meaning of contracts, the regulation of the form of contracts and evaluate the impact of legislation upon contract law
- analyse the nature and significance of the terms of a contract, the differences between representations and terms, the nature and significance of collateral contracts, the different types of contract and the nature and operation of exclusion clauses
- distinguish between mistakes, misrepresentation, duress and undue influence
- evaluate the various remedies available when a contract is breached and apply to a relevant case study
- differentiate between the consequences of a breach of condition, an intermediate term and a warranty
- distinguish between the systems of title which record ownership of real property
- describe the basic laws relevant to the purchase and sale of real property in Australia
- describe the basic laws relevant to purchase, ownership and transfer of personal property in Australia.

Topic 10: Tort law and negligence

On successful completion of this topic, students should be able to:

- explain the tort of negligence at common law
- analyse the broader consequences of negligent misrepresentation
- explain the impact of disclaimers at common law so far as section 18 of the ACL or section 12DA of the ASIC Act is concerned
- describe misleading and deceptive conduct
- explain what constitutes unconscionable conduct.

2.4 Assessment schedule

Assessment	Description	Week	Topics	Weighting	Subject learning outcomes assessed
Analysis task	Case study	Week 4	1–3	20%	LO1–LO3
Assignment	Short-answer questions	Week 8	1–7	40%	LO1–LO3
Exam	Multiple-choice questions and short-answer questions	Week 12	1–10	40%	LO1–LO6

Please refer to our website www.kaplanprofessional.edu.au to review student policies relating to your assessment, including the *Kaplan Assessment Policy* and *Academic Integrity and Conduct Policy*.

2.5 Prescribed text

There is no prescribed text for this subject. Students are provided with key readings and access to Kaplan's online databases. Students are encouraged to research and read widely on the topic.



2.6 Study plan

Week(s)	Topic name	Study load in hours
1	Topic 1: Overview of global financial markets and participants	10
2	Topic 2: Economic principles and management	10
3	Topic 3: Introduction to the Australian legal system	10
4	Topic 4: Overview of financial services law and regulations Analysis task (Weighting 20%)	10
5	Topic 5: Regulatory framework	6
6	Topic 6: Australian financial services licence	10
7	Topic 7: Disclosure	14
8	Topic 8: Business structures Assignment (Weighting 40%)	12
9	Topic 9: Contract and property law	12
10	Topic 10: Tort law and negligence	12
11–12	Exam (Weighting 40%)	14
Total minimum study load		120 hours

Additional study hours (if required), dependent on knowledge and personal commitments	60 hours
Total study load, including additional study hours	180 hours