



---

# Handbook

FTD5 – VTCT (Skillsfirst) Level 5 Diploma in Financial Trading (RQF)

601/6206/5

Version 2.0

---

# About Skillsfirst

VTCT is a market-leading Awarding, Assessment and End-point Assessment (EPA) Organisation offering vocational and technical qualifications in a range of 'services to people' sectors.

The VTCT group of companies are comprised of three innovative awarding brands: VTCT, iTEC and Skillsfirst. Together they have over 2,500 approved centres in over 40 countries across the world.

The qualifications suite offered by VTCT (Skillsfirst) spans a range of sectors including Childcare, Business Services, Health & Social Care, Recruitment and Social Media.

For more information visit us at [www.vtct.org.uk](http://www.vtct.org.uk) and [www.skillsfirst.co.uk](http://www.skillsfirst.co.uk), contact our dedicated Customer Support Team via email at [customersupport@vtct.org.uk](mailto:customersupport@vtct.org.uk) and [customerservices@skillsfirst.co.uk](mailto:customerservices@skillsfirst.co.uk) or call 0121 270 5100

All material in this publication is copyright of VTCT © Vocational Training Charitable Trust, 2023.

---

# Contents

About Skillsfirst .....	2
Contents .....	3
1 Qualification at a glance.....	4
2 Qualification information.....	5
2.1 Qualification aim and design .....	5
2.2 Progression opportunities.....	5
3 Qualification structure .....	6
4 Centre requirements.....	7
4.1 Resources .....	7
4.2 Financial Skills Partnership.....	7
4.3 Occupational expertise of those who assess performance and internally verify/quality assure assessments .....	7
4.3.1 Internal verifiers/Quality assurers .....	8
4.3.2 Assessors .....	8
4.4 Employer direct model.....	8
4.5 Continuous professional development (CPD).....	8
4.6 Total Qualification Time (TQT) .....	9
5 Assessment .....	10
5.1 Summary of assessment methods .....	10
5.2 Assessment principles .....	10
5.3 Characteristics of assessment guidance .....	10
5.3.1 Professional discussion .....	10
5.3.2 Realistic working environment (RWE) .....	10
5.4 Simulation and witness testimony.....	11
5.4.1 Simulation .....	11
5.4.2 Witness testimony .....	11
5.5 Recognition of prior learning (RPL) .....	11
6 Units .....	13

---

# 1 Qualification at a glance

<b>Qualification title</b>	VTCT (Skillsfirst) Level 5 Diploma in Financial Trading (RQF)
<b>Qualification number</b>	601/6206/5
<b>Product code</b>	FTD5
<b>Age range</b>	There are no age limits attached to learners undertaking this qualification unless this is a legal requirement of the process or the environment, such as those covered in the financial rules and regulations relating to the trading.
<b>Total Qualification Time (TQT)</b>	440
<b>Guided Learning (GL) hours</b>	311
<b>Assessment</b>	To be awarded this qualification, learners must successfully achieve the following assessments: <ul style="list-style-type: none"><li>• Portfolio of evidence</li><li>• Skills-based assessment (if applicable)</li></ul>
<b>Entry requirements</b>	Although there are no formal entry requirements, learners would find it helpful to have some understanding of the financial markets and have a reasonable level of maths ability.
<b>Support materials</b>	Support materials can be found on the website (if applicable)

---

## 2 Qualification information

### 2.1 Qualification aim and design

The Level 5 Diploma in Financial Trading (RQF) will provide the necessary knowledge, skills and understanding for those wishing to work as a financial trading professional or to enhance the CPD of those who are currently operating as a flow trader, proprietary trader, sales trader, or other related roles.

The qualification is a combination of knowledge and performance-based units and covers the analysis of financial markets, the application of this analysis using different trading techniques and an understanding of financial products, such as shares, fixed-interest bonds and foreign exchange (FX) markets, and their associated risks.

### 2.2 Progression opportunities

This qualification will allow the learner to progress into employment, or onto a complimentary sector specific qualification, such as a degree in Financial Services or a Level 5 Management qualification.

The learner could also take qualifications/degrees in Management to enhance their supervisory/managerial competence

---

## 3 Qualification structure

To be awarded the VTCT (Skillsfirst) Level 5 Diploma in Financial Trading (RQF) learners must achieve all mandatory units.

The minimum TQT required to achieve this qualification is **440**.

Product code	Unit title	Level	GLH	Unit reference number
<b>Mandatory units (Group M):</b>				
FT1	Financial markets and their analysis	5	124	D/507/1967
FT2	Financial products	5	103	K/507/1969
FT3	Financial trading techniques	5	84	R/508/5946

---

## 4 Centre requirements

### 4.1 Resources

Centres must possess the physical resources needed to support the delivery of the programme and the assessment of knowledge and skills, which should therefore be of industry standard. Where specific resources are required these have been indicated in individual units.

### 4.2 Financial Skills Partnership

The Level 5 Diploma in Financial Trading (RQF) is based on the units developed in conjunction with the Financial Skills Partnership (FSP) who are the sector skills council for financial services. Their contact details are:

Financial Skills Partnership  
Distington House  
Atlas Way  
Sheffield S4 7QQ  
Tel: 0114 261 1499  
info@sfjuk

This handbook provides details from Financial Skills Partnership assessment strategy, which centres will need to apply in order to assess and quality assure the Level 5 Diploma in Financial Trading (RQF) and includes the:

- occupational expertise of those who assess performance, and moderate and verify assessments
- continuous professional development
- summary of assessment methods

The complete assessment strategy is available for view and to download from the FSP website [www.financialskillspartnership.org.uk](http://www.financialskillspartnership.org.uk)

### 4.3 Occupational expertise of those who assess performance and internally verify/quality assure assessments

Assessors and internal verifiers (IVs)/quality assurers (IQAs) are appointed by the recognised centre and approved by Skillsfirst through the external verifier (EV).

Assessors and IV/IQAs should:

- have verifiable relevant experience and current knowledge of the occupational working area at, or above, the level they are assessing or verifying/quality assuring. This experience and knowledge must be of sufficient depth to be effective and reliable when judging learner competence or verifying/quality assuring assessment processes and decisions. This could be verified by:
  - curriculum vitae and references
  - possession of a relevant qualification
  - corporate membership of a relevant professional institution
- be prepared to participate in training activities for their CPD
- be employed directly or contractually by the same centre as the learner or
- be acting as a counter signatory on a short-term basis for a maximum period of 18 months, where the assessor/IV has not achieved the relevant award.

While the Assessor/Verifier (A/V) and the Assessor/Internal Quality Assurance (TAQA) units are valued as qualifications for centre staff, they are not currently a requirement for this qualification. It is strongly recommended, however, that staff must be able to show occupational competence, through mapping their competences and knowledge against the relevant NOS and the assessor and verifier requirements.

Centre staff may undertake more than one role, e.g. tutor and assessor or internal verifier/moderator/quality assurer, but must never internally verify/moderate/ quality assure their own assessments.

#### 4.3.1 Internal verifiers/Quality assurers

The IV/IQA is responsible for the approved centre's assessment quality. Therefore, in addition to the above, IV/IQAs must also:

- provide evidence of knowledge, understanding and application of the regulatory authorities' code of practice
- undertake CPD to ensure that they are working to the current NOS in assessment and verification
- only verify the decisions of assessors which fall within their acknowledged area of technical and occupational competence.

#### 4.3.2 Assessors

Assessors should only assess in their area of technical and occupational competence and must be approved by Skillsfirst.

### 4.4 Employer direct model

Where employers opt for an 'employer direct' model, any qualification requirements for assessors and internal verifiers may be waived. The 'employer direct' model is where colleagues, supervisors and/or managers in the workplace are involved in the assessment process. Under this model, the employer, with the agreement of Skillsfirst may choose between:

- achieving the appropriate approved qualifications for assessment/verification or
- demonstrating that their (the employer's) training and development activity undertaken to prepare, validate and review these assessment roles, maps 100% to the National Occupational Standards which these qualifications are based on. The mapping process must be agreed by Skillsfirst as providing the equivalent level of rigour and robustness as achievement of the approved assessment/verification qualification.

Each application to use the employer direct model will be considered on an individual organisation and qualification basis and agreed by the qualification regulators, including the sector skills council. Prospective organisations must be able to confirm that their in-house practices conform to the requirements of the standards in association with Skillsfirst.

### 4.5 Continuous professional development (CPD)

Centres are responsible for ensuring that assessors and IV/IQAs plan and maintain their CPD. Centres are expected to support their assessors and IV/IQAs in ensuring that their knowledge remains current of the occupational area and of best practice in delivery, mentoring, training, assessment and verification, and that it takes account of any national or legislative developments.

Centres may have generic criteria and personnel specifications in addition to the above.



## 4.6 Total Qualification Time (TQT)

Each qualification has a Total Qualification Time (TQT) value based on the total number of hours learning required to achieve it. The TQT value reflects the number of supervised learning hours required to achieve the knowledge and assessment requirements, plus the length of time a learner would need to take to achieve the skills and capabilities to be deemed competent. All RQF qualifications are subject to an evaluation process to determine their fitness-for-purpose.

---

# 5 Assessment

## 5.1 Summary of assessment methods

For this qualification, learners will be required to provide a portfolio of evidence for **each** unit.

## 5.2 Assessment principles

Units will be achieved through the acquisition of evidence by the learner and submission to their assessor. Units may be assessed through a number of different sources and forms, which must meet the requirements of assessment criteria.

- Assessment of performance should normally be in the learner's work environment, but where the opportunity to assess across the range of standards is unavailable other comparable working environments may be used, following agreement from the external verifier.
- A holistic approach towards the collection of evidence should be encouraged, assessing activities generated by the whole work experience rather than focusing on specific tasks, e.g. if the learner is trading financial products, they can be assessed against both knowledge and performance elements.
- Assessors can only assess in their acknowledged area of occupational competence.
- Assessors and IV/IQAs will be registered with their centre and be accountable to the organisation for their assessment practice.
- Health and safety of customers/clients and employees must be maintained throughout the assessment process and if any person carrying out assessment or verification activities does not feel that there is due regard to health and safety then that person should refuse to continue with the activity(ies) until satisfied that due regard to health and safety is being taken.

## 5.3 Characteristics of assessment guidance

The learner may produce evidence from a range of sources which should be recorded in some form. A record of evidence will confirm to the assessor their confidence in the learner's competence and breadth and depth of knowledge and understanding in being able to competently meet the functional requirements of all the units. The assessor will need to be assured that the learner can:

- meet all the learning outcomes of a unit
- pass all the assessment criteria of a unit

An assessor may request additional evidence if they are not satisfied with the evidence presented by the learner. If this occurs, it may need to be agreed in partnership with the learner and the assessor.

### 5.3.1 Professional discussion

Professional discussion is encouraged as a supplementary form of evidence to confirm a learner's competence, but cannot be used as primary evidence of performance. Such discussions should not be based on a prescribed list of questions but be a structured discussion which enables the assessor to gather relevant evidence to ensure the learner has a firm understanding of the standard being assessed.

### 5.3.2 Realistic working environment (RWE)

Assessment of this qualification should ideally be carried out within the work environment, however, where this is not possible learners can be assessed within an approved RWE that replicates a real work setting. Ideally, a RWE should include time pressures, work problems, interruptions, accountabilities and the necessary equipment and materials to do the job. By doing so, sector

employers can be confident that competence achieved in an RWE will be continued into employment. RWEs can offer many opportunities to employers and individuals that have limited access to assessment. The number of hours learners work and their input is not prescribed, as it is acknowledged that RWEs cannot operate without some flexibility. However, centres must provide evidence that the following criteria are being met as well as fulfilling the Skillsfirst criteria for this purpose.

## 5.4 Simulation and witness testimony

Simulation or witness testimony is warranted where the centre can demonstrate that performance evidence has been impossible to obtain in the work environment.

### 5.4.1 Simulation

Simulation can be used to assess learners where the opportunity to assess naturally occurring evidence is unlikely or not possible, for example assessment relating to a breach of confidentiality or privacy, health and safety, fire and emergency procedures. It should not include routine activities that must be covered by performance evidence.

It should only be used when performance evidence is unlikely to be generated through normal working practices.

### 5.4.2 Witness testimony

Skillsfirst recognise the use of witness testimony and expert witness testimony as appropriate methods for assessors to collect evidence on candidate's performance.

Witness testimonies can be obtained from people that are occupationally competent and who may be familiar with the national occupational standards, such as the learner's line manager. They may also be obtained from people who are not occupationally competent and do not have a knowledge of the national occupational standards such as other people within the learner's workplace, customers and suppliers.

The assessor must judge the validity of the witness testimony and these may vary depending on the source. Witness testimonies can only support the assessment process and may remove or reduce the need to collect supplementary evidence. However, centres must comply with Skillsfirst guidance over the occupational competence and briefing of witnesses in the use of witness testimony.

## 5.5 Recognition of prior learning (RPL)

RPL recognises how the contribution of a learner's previous experience could contribute to a qualification. Should any opportunities for RPL be identified, it is important that a complete process of recognising prior experience and learning is undertaken, by ensuring that:

- it covers relevant or appropriate experience for previous activities, as well as accredited learning and qualifications
- it is incorporated into the assessment planning, with details of how this will take place
- mapping of prior learning to the national occupational standards to identify gaps is documented and auditable
- assessment methods or processes for recognising prior experience and learning, are documented and made available to the external verifier
- the audit trail covers the whole process and methodology of RPL
- the authenticity and currency of presented evidence is established by the assessor
- where observation or expert witness testimony is a unit assessment method requirement, this activity is undertaken after learner registration for the qualification

In considering the appropriateness of any single piece of evidence, the following should be considered:

- Content – the degree to which the content of any previous accredited learning meets the requirements of the national occupational standards against which it is being presented as evidence.
- Performance and knowledge – the degree to which the previous learning covered both performance and knowledge. Some learning will only have offered and tested the latter, in which case RPL will only recognise the meeting of knowledge requirements. Performance will require further assessment. Although unlikely, the reverse (performance tested but not knowledge) could be true in which case knowledge and understanding would need further assessment.
- Relevance of context – the degree to which the context of the learning gained and assessed, relates to the current context of learner' work roles. If the context was different, assessors will need to satisfy themselves of learners' ability to transfer the learning gained into their current setting.
- Currency – how recently the learning was gained. Learners would need to demonstrate current knowledge and understanding of areas such as legislation, policy and practice etc, which may have changes since the previous learning programmes were undertaken.
- Authenticity – how the ownership of the evidence is established to ensure it was generated by the learner.

---

## 6 Units

---

# Unit Handbook

## FT1 – Financial markets and their analysis

Unit reference number: D/507/1967

**Level: 5**

**Credit value: 17**

**Guided Learning (GL) hours: 124**

### Unit aim

The aim of this unit is to provide the knowledge and understanding about the operation of the financial markets, how to analyse market trading using fundamental and technical tools of analysis and be aware of the psychology of market trading.

### Learning outcomes

There are four outcomes to this unit. The learner will:

LO1 Understand the operation of financial markets and their analysis

LO2 Understand the fundamental analysis of market trading

LO3 Understand the technical analysis of market trading

LO4 Understand the psychology of market trading

---

# Unit content

## Details of the relationship between the unit and relevant national occupational standards (if appropriate)

This unit is linked to the following national occupational standards;

**FSPIISM11** - Analyse and report investment implications of international economics and foreign exchange markets

**FSPIO06** - Measure and analyse the performance of investments.

## Endorsement of the unit by a sector or other appropriate body

This unit is endorsed by Financial Skills Partnership (FSP), the sector skills council for finance.

## Evidence requirements

Evidence may be supplied using professional discussion, case studies, assignments questioning and learner reports/reflective accounts

# Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Understand the operation of financial markets and their analysis	1.1 Analyse the different types of the traditional and modern financial markets
	1.2 Describe how financial markets operate
	1.3 Explain the origins and operations of the futures market
	1.4 Analyse the benefits of the different types of futures contract
	1.5 Explain the operation of the futures exchanges
	1.6 Analyse the differences between technical and fundamental analysis
	1.7 Explain the benefits of the Daily Trading Sheet

Learning Outcome	Assessment Criteria
LO2 Understand the fundamental analysis of market trading	2.1 Evaluate the advantages and disadvantages of microeconomics
	2.2 Evaluate the advantages and disadvantages of macroeconomics
	2.3 Assess the effect on the financial markets of the <ul style="list-style-type: none"> <li>• US Federal Reserve</li> <li>• European Central Bank</li> <li>• Bank of England</li> </ul>
	2.4 Assess the role of the OECD and the IMF on globalisation
	2.5 Distinguish between US, European and UK economic indicators
	2.6 Evaluate the range of approaches used to analyse daily economic statistics and data to make solid trading decisions
	2.7 Define the importance of bond auctions and their impact on the market

Learning Outcome	Assessment Criteria
LO3 Understand the technical analysis of market trading	3.1 Compare different types of statistical charts available for market analysis
	3.2 Define the differences between a bear market and a bull market
	3.3 Evaluate the advantages and disadvantages of market analysis using <ul style="list-style-type: none"> <li>• Candlestick charts</li> <li>• Point and figure charts</li> <li>• Market profile charts</li> </ul>
	3.4 Compare the different types of investment tools available for market analysis



Learning Outcome	Assessment Criteria
LO4 Understand the psychology of market trading	4.1 Analyse the significance of market sentiment and crowd behaviour to develop a trading strategy
	4.2 Assess the impact on markets, prices and returns of behavioural finance and economics
	4.3 Analyse how the subconscious mind affects the emotional and psychological traits of trading
	4.4 Analyse how the conscious mind affects the emotional and psychological traits of trading
	4.5 Evaluate the benefits to a market trader of self-monitoring and goal-setting

**FT1 Document History**

Version	Issue Date	Changes	Role
v1.0	31/01/2023	Re-branded	Compliance Manager

---

# Unit Handbook

## FT2 – Financial products

Unit reference number: K/507/1969

**Level: 5**

**Credit value: 17**

**Guided Learning (GL) hours: 103**

### Unit aim

This aim of this unit is to provide the knowledge and understanding to know about the operation of the foreign exchange and a range of financial products, such as bonds, commodities, options and STIRs. This unit will also provide the knowledge and understanding to know how indices are used in the financial market.

### Learning outcomes

There are six outcomes to this unit. The learner will:

LO1 Understand the operation of bond trading and its associated risks

LO2 Understand the operation of the foreign exchange and its associated risks

LO3 Understand the operation of the commodities market and its associated risks

LO4 Understand the operation of options and their potential risks

LO5 Understand the operation of the Short Term Interest Rates (STIRS) market and its associated risks

LO6 Understand the operation of the indices

---

# Unit content

## Details of the relationship between the unit and relevant national occupational standards (if appropriate)

This unit is linked to the following national occupational standard;

**FSPCOMP13** - Consider and advise on the regulatory implications of new business strategies at your organisation.

## Endorsement of the unit by a sector or other appropriate body

This unit is endorsed by Financial Skills Partnership (FSP), the sector skills council for finance.

## Evidence requirements

Evidence may be supplied using professional discussion, case studies, assignments questioning and learner reports/reflective accounts

# Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Understand the operation of bond trading and its associated risks	1.1 Analyse how the bond market functions and its associated risks
	1.2 Define the factors which contribute to the pricing of a bond future
	1.3 Analyse the factors which will influence bond prices and their effect on duration and yield
	1.4 Compare the different types of bond futures contracts
	1.5 Describe how bonds are traded

Learning Outcome	Assessment Criteria
LO2 Understand the operation of the foreign exchange and its associated risks	2.1 Analyse how the foreign exchange functions and its associated risks
	2.2 Define the features of foreign exchange futures and how they are priced
	2.3 Analyse the factors which will influence foreign exchange prices and their effect on yield
	2.4 Compare the different types of foreign exchange futures contracts
	2.5 Describe how foreign currency is traded

Learning Outcome	Assessment Criteria
LO3 Understand the operation of the commodities market and its associated risks	3.1 Analyse how the commodities market functions and its associated risks
	3.2 Define the features of commodities futures and how they are priced
	3.3 Describe how commodities are traded on the commodities market

Learning Outcome	Assessment Criteria
LO4 Understand the operation of options and their potential risks	4.1 Compare differences between the types of options contract and their potential risks
	4.2 Analyse the benefits of the specifications which could be contained in an options contract
	4.3 Define the factors which contribute to the pricing of options
	4.4 Analyse the benefits of the different types of options strategies

<b>Learning Outcome</b>	<b>Assessment Criteria</b>
LO5 Understand the operation of the Short Term Interest Rates (STIRS) market and its associated risks	5.1 Analyse how the STIRS market functions and its associated risks
	5.2 Define the features of STIRS futures and how they are priced
	5.3 Describe where STIRS futures are traded

<b>Learning Outcome</b>	<b>Assessment Criteria</b>
LO6 Understand the operation of the indices	6.1 Analyse how indices are used to track the performance of the stock market
	6.2 Define the features of index futures and how they are priced and valued
	6.3 Describe where indices are traded

## FT2 Document History

Version	Issue Date	Changes	Role
v1.0	31/01/2023	Re-branded	Compliance Manager

---

# Unit Handbook

## FT3 – Financial trading techniques

Unit reference number: H/507/1968

**Level: 5**

**Credit value: 10**

**Guided Learning (GL) hours: 84**

### Unit aim

This aim of this unit is to provide the skills and understanding necessary to analyse the trading patterns of the financial markets and to trade financial products using a range of financial trading techniques

### Learning outcomes

There are two outcomes to this unit. The learner will:

LO1 Be able to analyse the market and trading patterns

LO2 Be able to trade financial products



---

# Unit content

## Details of the relationship between the unit and relevant national occupational standards (if appropriate)

This unit is linked to the following national occupational standard;  
**FSPISM02**- Implement a defined investment strategy.

## Endorsement of the unit by a sector or other appropriate body

This unit is endorsed by Financial Skills Partnership (FSP), the sector skills council for finance.

## Evidence requirements

Evidence may be supplied using professional discussion, case studies, assignments questioning and learner reports/reflective accounts

---

# Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Be able to analyse the market and trading patterns	1.1 Demonstrate the techniques used to identify under-valued and over-valued stocks and shares
	1.2 Analyse the support and resistance levels which have been created by investor supply and demand
	1.3 Use analysis tools to forecast trading patterns and potential trend reversals

Learning Outcome	Assessment Criteria
LO2 Be able to trade financial products	2.1 Devise a structured trading plan
	2.2 Apply trading techniques to financial products
	2.3 Calculate the profit and loss on the trades
	2.4 Assess emotional and physical behaviour in line with professional standards

### FT3 Document History

Version	Issue Date	Changes	Role
v1.0	31/01/2023	Re-branded	Compliance Manager

### FTD5 Document History

Version	Issue Date	Changes	Role
v2.0	31/01/2023	Formatting and re-branding. No content amendment.	Data Administrators