

**ACST401/ACST832 Actuarial Planning and Control 2
SECOND SEMESTER 2006**

Unit Outline

**Welcome to ACST401/832.
We hope you find this unit interesting and useful.**

**This outline contains important information.
Please read it carefully and refer to it often.**

Teaching Staff Involved in the Unit

The lecturers involved in the teaching of this unit are

Name	email	Room
Shauna Ferris (Unit co-ordinator)	sferris@efs.mq.edu.au	E4A
Bruce Edwards (Visiting lecture)	Via website private mail	External
Paul Scully (Visiting lecture)	Via website private mail	External

Questions relating to the administration of the unit should be directed to Hong Xie who is the TA/Unit administrator. Please send any general enquiries about administration to WebCT discussion board “Admin” and private enquiry to Hong Xie via private mail.

Questions relating to the unit content should be directed to the lecturer for that section of work. Please raise questions in class, or use the Discussions (Bulletin Board) in the website.

Unit Details

Credit Points: 4

Prerequisites: ACST400 or ACST831

Please consult with the unit coordinator if you do not meet the prerequisite requirement.

Unit Description

This overall aim of the Control Cycle units is for you to understand the basic principles underlying the actuarial management of financial products, services, and schemes across commercial, government and other environments, so that you will be able to apply those principles to a wide range of problems and issues that you may encounter in professional practice.

The detailed learning objectives are in the Part 2 syllabus for the Control Cycle, set by the Institute of Actuaries of Australia. The syllabus is available on the unit WebCT.

In addition to the discipline based learning objectives, academic programs at Macquarie seek to develop skills in a range of areas including written and oral communication, critical analysis, problem solving, and creative thinking.

Assumed Knowledge and Skills

All students are assumed to be familiar with the materials covered in Part 1 of the actuarial examination requirements of The Institute of Actuaries of Australia, as well as the content of ACST400 Actuarial Planning and Control I.

Lectures

For students who are studying on-campus, there are two 2-hour classes per week. On campus lectures are held at the following times:

Day	Time	Location
Monday	2.00 - 4.00 pm	E6A 102
Wednesday	2.00 - 4.00 pm	E7B T5

Evening students will attend the lectures on Tuesdays, from 5:30 to 8:30, at the Portside Centre, Level 5, 207 Kent Street, Sydney. (No access code is required).

If you wish to change your enrolment from City to Campus classes (or vice versa) you must first contact our Unit Administrator, Hong Xie, via Private Mail on the Web CT site

Any alterations to the lecture times or locations will be advised in lectures.

The class times will not always be traditional lectures, but will be used for a combination of short lectures, class discussions, and small group exercises. The activities are designed to get you thinking about the issues raised and to come up with your own solutions to various problems.

To gain the maximum benefit from the unit you should read the relevant textbook chapter(s) and/or learning guides before the lecture, so that you can participate fully in class or online discussions.

This year we will be using the iLecture system to record on-campus lectures. The recording system will be turned off during group discussions and/or small group work. Students should be able to download the lectures from the WebCT and listen to the lectures. However we should warn you that this is a new system which may not always work, so we do not recommend that you skip lectures on the assumption that iLecture will always be available.

ACST401/832 and ACSTINFO Web sites

We will be using a WebCT extensively in this unit to distribute information such as past examination papers and tests, for discussion of the content of the course, for administrative announcements, and for submission of the assignment. Learning guides and some lecture notes will also be available on the website.

It is therefore important that you visit the WebCT frequently.

For distance students there is a separate section of the discussion area, accessible only to distance students, which will be supervised by the lecturer for each topic to facilitate your learning.

The web site can be accessed using Netscape Navigator or Communicator 4.7x, or Microsoft Internet Explorer 5.0x. Netscape 6 and Internet Explorer 6 are not yet supported and you should not use them to access the web site. Go to <http://online.mq.edu.au> and then login using your username and password. These will be the same as those you were using last semester for accessing password protected Macquarie University web sites. If this is your first semester at Macquarie, these details should have been mailed to you after you enrolled. If you have not received this information, or if you have forgotten your password and need it reset, contact the Library Information Technology Customer Support Desk (ITCSD). Go to <http://online.mq.edu.au> and click on "help desk". Note also that if you have already changed your password in another unit's web site this year, that change will also apply for this unit.

You can access the ACSTINFO website via the same login. This site is used to distribute information to all actuarial students majoring in actuarial studies. The information supplied may include administrative information and job advertisements. You will retain access to this site during the vacation following the end of this semester. It is to your advantage to ensure you read information on this web site regularly. When you login to this site, please read the section labelled "How to use this site." This contains useful information which will help you determine when there is new information on the site which you should read.

Textbooks and Study Materials

The textbook for this unit is *Understanding Actuarial Management*,
Edited by Clare Bellis, John Shepherd, and Richard Lyon.

Order Forms are on the WebCT, or contact:

The Institute of Actuaries of Australia
Level 7, Challis House, 4 Martin Place,
Sydney, 2000.
Tel: 61 (0) 2 9233 3466
Fax: 61 (0) 2 9233 3446
Hours: 10 am. to 3 pm. weekdays.

Copies of the textbook are available in the library.

As the semester progresses you will be referred to relevant papers, which will be distributed in class (for local students) and/or linked through the website for downloading.

Unit Timetable

Week Number	Week Beginning	Topic Covered	Lecturer	Reading from textbook
1	July 31	Valuing Liabilities	B. Edwards	10
2	August 7	Solvency	S. Ferris	9,15
3	August 14	Solvency	S. Ferris	9,15
4	August 21	Solvency	S. Ferris	9,15
5	August 28	Profit	B. Edwards	16
6	September 4	Monitoring Experience	B. Edwards	17
7	September 11	Investment	P. Scully	12
BREAK 1	September 18			
BREAK 2	September 25			
8	October 2	Class Presentations	B Edwards / S Ferris	
9	October 9	Constructing Investment Portfolios	P. Scully	13
10	October 16	Monitoring Investment Portfolios	P. Scully	14
11	October 23	More on Investment	P. Scully	
12	October 30	Managing the Business	B. Edwards	18
13	November 6	Responding to Experience Final Examination - date to be advised	B. Edwards	18

NOTE: The issue of PROFESSIONALISM permeates all of the above topics.

Students should read the relevant chapter of the textbook (as noted above) BEFORE the lecture. Lecturers may assign additional reading – information will be posted on the WebCT. All the material covered in the textbooks and required reading is examinable, as well as material discussed in class (Lecture overheads will be placed on the website for distance students).

Please note that changes to the timetable may occur and that any alterations will be advised via the Discussions (Bulletin Board).

Grading

Macquarie University uses the grades HD, D, Cr, P, PC and F for grading the achievements of students in units of study. The meaning of each symbol is explained under Grades of Achievement in the Macquarie University Handbook of Undergraduate Studies.

The numerical marks resulting from assessment of your work in this unit will be used as an initial indicator of the quality of your learning and understanding. The use of these numerical marks is, however, only a starting point in determining the appropriate grade. Grading is a question of quality, not quantity in terms of the number of marks accumulated.

When you work as an actuary or in any other profession, if you misunderstand a concept you might provide incorrect advice to a client, with possibly severe financial consequences for your client and yourself. However, if you realise that you have no understanding of a concept you can (and should!) refrain from giving advice on it until you have filled the gaps in your knowledge. That is, misunderstandings are more dangerous than a lack of knowledge. The grading philosophy in this unit reflects this situation. While

correct and relevant statements earn marks, answers that reveal that your misunderstandings are very severe or numerous can earn a negative mark for a question.

Exemptions

All students with a Credit (or better) in both ACST400 and ACST401, automatically qualify for exemption from Part 2 of the Institute of Actuaries of Australia qualification.

A grade of P combined with a grade of HD, D or Cr is considered individually. Consideration is given to whether the extent to which the student's performance fell short of a Cr in one semester is adequately compensated by the extent to which the performance exceeded a minimum Cr in the other semester. However, please note that there is a minimum of performance required in each semester. A very low P grade in one semester will not normally be offset by even an excellent result in the other semester. In terms of your standardised numerical grade (SNG), this means you need a total of 130 with a minimum of 60 in each unit.

If you completed Control Cycle Part I at another University, then we will need to consult with the staff at your previous University in order to determine your exemption status. You will need to provide us with a letter giving permission for this consultation (since otherwise, privacy laws would prevent this process).

In making the final determination about exemption results, the Macquarie University staff involved with this unit also consult with two actuaries not connected with Macquarie University who represent the Institute of Actuaries of Australia. This is a requirement of the Institute in granting exemptions, and also ensures consistency of standards between universities offering the control cycle subject.

The University will notify you of your result in ACST401 by mail to you and also via the University website on or about 18 December. Please do not contact us seeking information about your result in ACST401 before 18 December, as we will not be able to provide this information. After 18 December, all requests for information must be made in writing (email is OK).

Once all decisions about exemptions are complete, we will provide to the Institute of Actuaries of Australia the details of which students have met the exemption standard (for those students who have authorised us to release this information – please see next paragraph). The Institute will publish the names of all of its members who achieve the exemption, sometime in mid December. If you are not a member of the Institute, your name will not appear on the Institute list.

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG).

On occasion your raw mark for a unit (i.e., the total of your marks for each assessment item) may not be the same as the SNG which you receive. Under the Senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university, so that units with the same past performances of their students should achieve similar results.

It is important that you realise that the policy does not require that a minimum number of students are to be failed in any unit. In fact it does something like the opposite, in requiring examiners to explain their actions if more than 20% of students fail in a unit.

The process of scaling does not change the order of marks among students. A student who receives a higher raw mark than another will also receive a higher final scaled mark.

For an explanation of the policy see

<http://www.mq.edu.au/senate/MQUonly/Issues/Guidelines2003.doc> or
<http://www.mq.edu.au/senate/MQUonly/Issues/detailedguidelines.doc>.

Confidentiality

VERY IMPORTANT: Privacy legislation and University policy on confidentiality prohibit us from releasing your details without your permission. We therefore need your authorisation that the Institute or its representatives may be given access to information about your performance in this unit. **Whether or not you have previously completed a release form during your actuarial studies at Macquarie, please complete the release form. If you miss the class, print off the copy which is on the ACST401 website, complete it and fax or mail it to the department, for the attention of Hong Xie.**

Please note also that we can track some of your use of the website. Please see the information about Confidentiality in the website on <http://online.mq.edu.au/docs/tecinf.html> - [conf](#)

IMPORTANT: When you leave the WebCT, be sure to log off, or close the browser.

Assessment

The following table gives an indication of the relative weighting of the assessment components:

Assessment Task	Weighting
Assignment 1 (Essay)	7%
Assignment 2 (Investment Report)	5%
Class Presentation / Discussion contribution	5%
Chapter summaries / reports (8)	4%
Online quizzes (8)	4%
Final Exam	75%

* Local students (either on-campus or in the city) will be required to do a brief class presentation in the week commencing October 2, and to provide a written summary of their presentation topic. Distance students will be assessed on their contribution to the discussions on the WebCT.

Further information about each of these assessment tasks will be given in lectures and on the WebCT.

You should check the task requirements carefully ahead of time, as you may have to pre-register for a topic by a certain date as well as submit your work by the deadline.

Quizzes will be held throughout the semester. Each quiz will be available for a limited time only (correct answers are released at the end of the availability period). To avoid being caught out by computer failure or personal commitments such as heavy work pressure you should aim to complete each quiz well before the deadline.

Please take careful note of the section of this unit outline titled Cheating and Plagiarism in relation to your assignments. ***The students may be asked to submit their work to Plagiarism prevention system ("Turnitin"), the instructions will be published on the WebCT; you can also refer to the <http://www.turnitin.com> website.***

Assignment cover sheets will be on the website; please ensure that you complete the cover sheet and submit it with your work, after reading the notes on Cheating and Plagiarism.

Final Examination

The final examination will be a three-hour written paper with ten minutes reading time.

The final examination timetable will be released later in the semester, and can be checked on <http://www.timetables.mq.edu.au/exam/>. It is your responsibility to find out the time and place of your examination, and you are required to be available on any date in the examination period between 15th November and 1st November. Local students are expected to present themselves for the examination at the time and place designated on the University Exam Timetable. The timetable will be available in draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

Distance students should contact Hong Xie to organise the location and supervision for the final examination.

Calculators will be allowed in the final examination but a clear indication of the steps involved in every calculation must be shown. Any machines that have a text-retrieval capacity, specifically those with a full alphabet on the keyboard, are not allowed. Calculators may be checked at the commencement of the examination, and the make/model may be recorded.

Cheating and Plagiarism

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at: <http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

Special Consideration

Applications for special consideration in respect of the assessment tasks, other than the final examination, must be made on the "Advice of Absence or other Circumstances" form. It would be helpful if you also let the Unit Coordinator know of your situation, through the Private Mail facility in the website. This applies particularly if you are seeking an extension of time for your assessment task.

If you are unable to attend the examination at the designated time and place, because of unavoidable disruption or documented illness, then you might wish to apply for Special Consideration. Information about Special Consideration is available at www.reg.mq.edu.au/Forms/APSCon.pdf. Applications in respect of the final examination must be made on the "Request for Special Consideration" form.

In either case, applications based on medical grounds **must** be accompanied by the Professional Authority Form, which is attached at the end of the application form. Applications omitting this form (such as those which only supply a doctor's certificate) will be ignored.

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. Information about Supplementary Exams is posted on the website at www.efs.mq.edu.au.

University policy does not encourage the provision of early examinations for individuals or groups of students.

Use of Computers for Coursework

Please take careful note of the policy of the Department of Actuarial Studies regarding the use of computers, which follows:

1. Computer networks do occasionally break down. This is a normal part of working life. When completing assignments, you should not leave computer work until the last moment, assuming the system will be available when you need it.
2. You are the person responsible for keeping backup copies of any data or files you create on a computer. If you fail to keep backup copies, loss of data or files, for whatever reason, is not an acceptable excuse for failing to complete an assignment on time.
3. You should have at least two backups. If you have only one backup disk, then a computer malfunction while you are updating your backups may simultaneously corrupt both the original version (on the hard disk or network) and your backup disk. Do not store your two backups together. Spread your risks.
4. If you are planning to write a document on one computer (eg. your home computer) and print it from a different computer, you should test well ahead of the due date that the second computer can print your document. This particularly applies if your documents incorporate graphs, tables, unusual fonts or special formatting.

However, please note that should you encounter problems relating to access to the website, other than the sorts of situations described above which are under your own control, then we will exercise appropriate discretion to ensure that you are fairly treated.

Mobile Phones

Academic Senate has resolved that no mobile phones should be used in classrooms. Communication devices, including but not restricted to mobile phones, text message receivers, pagers and wireless-equipped calculators, may not be brought into the examination room. If a student is found to have brought such a device into the examination room, the argument that the device was turned off will NOT be regarded as an acceptable excuse.

STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can access at <http://www.student.mq.edu.au>.