

ACST400/831 : ACTUARIAL PLANNING & CONTROL I

CAMPUS CLASS

First Semester 2004

SUBJECT OUTLINE

ACST400/831 Teaching & Support Team

Team Member	Team Role	Room	Telephone	Consultation Hours
John Shepherd	Coordinator/Lecturer	C5C 491	9850 8573	Mondays, 11-12am Thursdays, 2-3pm
Bruce Edwards	Visiting Lecturer	N/A	N/A	
Alison Petto-Hamilton	Administrative Assistant	C5C 492	9850 9987	

- Please use the ACST400/831 WebCT site's Private Mail or Bulletin Board facility (in addition to opportunities during classes, and consultation hours) for any questions you have about this subject.
- Questions about what you are learning should be directed to the lecturer teaching that topic.
- Questions about enrolment, classes, assignments, examination, etc (administrative matters generally) should be directed to the Subject Coordinator (John Shepherd).

Subject: Actuarial Planning & Control I

Credit points: 4

Prerequisite: Completion of a degree in Actuarial Studies (or the equivalent in terms of either the Part I subjects of The Institute of Actuaries of Australia, or other routes)

Learning Objectives

The overall aim of the Control Cycle subject 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 your professional practice.

The detailed learning objectives, summarised under 18 sub-headings, are in The Institute of Actuaries of Australia's Part II Syllabus for the Actuarial Control Cycle, which can be found under this URL:

http://www.actuaries.asn.au/PublicSite/education/education_frameset.htm

Classes

The two 2-hour classes each week will not be traditional “lectures”. You will not be spending 4 hours a week taking notes while listening to someone “at the front” speaking. There will be “mini-lectures”, for maybe 15 to 30 minutes at a time, but these will be interspersed with interactive sessions such as plenary discussions, small group activities and individual activities. During some classes, there will be guest speakers, usually practising actuaries talking about some aspect of their work which relates to the current topic. You can expect to be actively involved, and needing to think a lot, not just passively taking notes.

So make sure you arrive on time, or you will find it difficult to pick up what is happening in the class. Be prepared to participate to gain maximum benefit from the classes.

You will have two 2-hour classes each week:

Enrolment stream	Day	Time	Location
Campus class	Monday	2.00-4.00 pm	E6A102
	Wednesday	2.00-4.00pm	W5C220

Any alterations to the class time or location will be advised in class and on the ACST400/831 web site.

Assumed knowledge and skills

We assume from the start of ACST400/831 that you are familiar with what is learned in Subjects 101 through 109 of Part I of the Institute of Actuaries of Australia education system.

Textbook

There is just one textbook for ACST400/831, available from its publisher, The Institute of Actuaries of Australia (www.actuaries.asn.au):

- Bellis, Clare, Shepherd, John & Lyon, Richard (2003) *Understanding Actuarial Management: the actuarial control cycle*, Institute of Actuaries of Australia

Some other readings will be made available on the ACST400/831 WebCT site from time to time.

Assessment tasks

The following table lists the assessment tasks for this Subject and their relative weightings:

Assessment task	Topics mainly addressed (See timetable on page 5 for identification of Topics)	Weighting
Assignment 1	1, 2 and 10	12.5%
Assignment 2	3, 5 and 10	12.5%
Assignment 3	7 and 10	15%
Final Examination	Primarily (but not exclusively) 4, 6, 8, 9 & 10	60%

Grading your learning in ACST400/831

Macquarie University uses the grades HD (High Distinction), D (Distinction), CR (Credit), P (Pass), PC (Pass Conceded) and F (Fail) for grading the achievements of students in units of study. In ACST400/831, your grade will be determined by how well you show you understand the basic principles and concepts covered. P represents the lowest (basic) level of understanding, CR a higher level of understanding than that for P, D a higher level of understanding than CR, and HD the highest level of understanding.

Grading in this subject is NOT simply a matter of adding up the marks you gain for each of the assessment tasks. Your marks are taken as an initial indicator of the quality of your understanding, but they do not automatically determine your grade. Grading ultimately is based on the quality of the understanding you demonstrate, not on how many marks you can accumulate.

The following table is a guide to the meaning of each grade in the context of ACST400/831:

Grade	Level of understanding represented by that grade
HD	As for grade D, plus: <ul style="list-style-type: none">• Able to recognise & explain the application of actuarial principles to types of problem not seen before• Able to apply basic principles/concepts to scenarios widely different from the familiar
D	As for grade CR, plus: <ul style="list-style-type: none">• Able to apply basic principles/concepts to scenarios which differ significantly from the familiar• Able to explain actuarial principles/concepts in clear, simple, non-technical language
CR	As for grade P, plus: <ul style="list-style-type: none">• Able to apply basic principles/concepts to scenarios which differ slightly from the familiar• Able to identify the most important aspects of the context of actuarial work a particular scenario<ul style="list-style-type: none">• Able to recognise & explain professional issues arising in actuarial work
P	<ul style="list-style-type: none">• Able to state clearly basic actuarial principles/concepts• Able to apply basic principles/concepts to scenarios which are familiar• Able to explain basic principles/concepts of actuarial work
PC	<ul style="list-style-type: none">• Marginally satisfactory evidence of achievement of P level understanding• Insufficient understanding to be likely to succeed in ACST401/832
F	<ul style="list-style-type: none">• No evidence of achieving P level understanding

Assignments

The due dates for the three assignments (which together are weighted 40%) are spread over the semester, so that you can plan to spread your effort over the whole four months in the semester. In order to achieve a passing grade for this subject you must submit a genuine attempt at each assignment.

Final Exam

The Final Exam will be a 3-hour closed-book, written paper (with ten minutes reading time), and it will be weighted 60% towards your overall grade. The Final Exam will be held on a date to be announced by Macquarie University during the period 16 to 30 June. The exam timetable will be available some time during May.

IA Aust exemptions

Macquarie University subjects ACST400/831 and ACST401/832 together are accredited by The Institute of Actuaries of Australia for exemption from its Part II subject "The Actuarial Control Cycle". You will automatically gain exemption from Part II if you achieve a grade of CR (Credit) or better (HD or D) in both ACST400/831 and ACST401/832.

ACST400/831 WebCT site

You will need a web browser such as:

- Netscape 4.76, 6.2 or 7.0; or
- Microsoft Internet Explorer 5.0 or higher (including 6.0)

Before using the ACST400/831 WebCT site, you should read and understand the document called "*Security Policy and Rules Governing the Use of the Computing and Communications Facilities at Macquarie University*" which you received at enrolment and which is available at:

<http://www.ocs.mq.edu.au/POLICIES/mqrules.html>

The WebCT site for ACST400/831 can be accessed at:

<http://online.mq.edu.au/pub/ACST400/>

Plagiarism

You should note carefully Macquarie University's policy on plagiarism, because it applies to all work you submit for assessment in this subject (including the Final Exam). Make sure you read, understand and comply with the plagiarism policy set out in the separate document available on this web site.

Special Consideration

If the quality of your learning and work in this subject is adversely affected by illness, accident or some other form of unavoidable disruption, you should familiarise yourself with the special consideration provisions in Macquarie University's Bachelor Degree Rules 7 and 9 on pages 87-88 in the 2004 Handbook of Undergraduate Studies. **All requests for special consideration should be made in writing, on the standard form, and submitted to the Student Enquiry Service on level 1 of the Lincoln Building.**

You must complete a Professional Authority Form to accompany any application for special consideration based on medical grounds. The special consideration application and professional authority forms are available from the Student Enquiry Service, or from this web site:

<http://www.registrar.mq.edu.au/academic-index.htm>

Calculators

In this subject you may use a calculator at the Final Exam provided it is portable, silent and battery operated. However, in any question requiring calculations, you will be expected to show clearly the steps involved in arriving at a calculated result.

ACST400/831 Semester 1 Timetable

Week No	Week Beginning	Topic	Topics Covered	Textbook Chapter	Teacher	Assignment
1	1 March	1	Overview: Control Cycle	1	JS	
2	8 March	2	Context of Actuarial Work	3 (& 2)	JS	
3	15 March	3	Meeting Consumers' Needs	5	BE	
4	22 March	4	Regulation	4	JS	
5	29 March	5	Assessing Risk	6	BE	Assignment 1 (first draft)
6	5 April	5	Assessing Risk	6	BE	
	12 April		NO CLASSES			
	19 April		NO CLASSES			
7	26 April	6	Product Design	7	BE	Assignment 2
8	3 May	7	Modelling	8	JS	
9	10 May	7/8	Modelling/Pricing	8/11	JS	Assignment 1 (final)
10	17 May		Assignment 1: Review		JS	
11	24 May	8	Pricing	11	JS	
12	31 May	9	Need for Capital	9	BE	Assignment 3
13	7 June	10	Being Professional	2	BE	

Note:

Changes to the timetable may occur. Any alterations will be advised in classes and on the ACST400/831 web site.