

ACST400/831/831X: ACTUARIAL CONTROL CYCLE 1
All Classes
First Semester 2006

UNIT OUTLINE

ACC Teaching & Support Team

Staff Member	Role	Room	Telephone	Consultation Hours
Sue Clarke	Unit Coordinator / Lecturer	E4A613	9850 8575	Via WebCT site
John Shepherd	Lecturer	E4A609	9850 8573	Via WebCT site
Bruce Edwards	Visiting Lecturer	N/A	N/A	Via WebCT site
Hong Xie	Unit Administrator	E4A622	9850 8571	Via WebCT site

Questions relating to the administration of the unit should normally be posted in the Discussion Area of WebCT under the “Admin” Topic (provided that they have not already been answered in the Unit Outline, of course), and directed to Hong Xie as the Unit Administrator. Only personal administrative questions, i.e. those that do not relate to anyone else in the course, should be sent via the private email facility of WebCT. Questions relating to the unit content should be posted on the appropriate Topic in the Discussion Area, or put to the relevant lecturer in class. Course content questions sent via private email will not be answered.

Subject: Actuarial Control Cycle 1

Credit points: 4

Prerequisites: 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 at

http://www.actuaries.asn.au/PublicSite/education/Education2006/education_frameset.htm

Teaching

There is a single WebCT site servicing all three offerings of the Actuarial Control Cycle. This site will be used to deliver materials, facilitate discussions and to give feedback.

For Distance students, there is a separate area on the discussion board that is accessible only to you. This discussion area will be moderated by the relevant lecturer for each topic to facilitate your learning. Distance students are also encouraged to use this discussion area to get to know each other during the semester.

For Campus students there are two 2-hour classes each week, and for City students a single 3-hour class. Details of class times and locations are given below. These class times will be used for a combination of short lectures, small group exercises and class discussions. You are strongly urged to read through the weekly Learning Guides provided on the web site and relevant textbook chapter before the class. This applies even more strongly to the City students where there will be less emphasis on the lecture elements.

Campus and City classes will be held as follows:

Enrolment Stream	Day	Time	Location
Campus Class	Monday Wednesday	2:00-4:00 pm 2:00-4:00 pm	E6A 102 W5C 220
City Class	Tuesday	5:30-8:30 pm	Portside Centre Level 5, 207 Kent Street Sydney

Distance students will conduct their class discussions via WebCT.

There will be a number of on-line quizzes available to help you gauge your understanding of the subject material. These quizzes do not count towards your assessment and are there purely for your benefit. Please feel free to use these as and when you wish.

Assumed knowledge and skills

We assume from the start of this course that you are familiar with what is learned in Part I of the Institute of Actuaries of Australia education system.

Textbook

The textbook for ACST400/831 is 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 may be made available on the WebCT site from time to time.

Assessment tasks

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

Assessment task	Weighting
Major Assignment 1	10%
Major Assignment 2	15%
Power Point/ Class Presentation	5%
Text Book Summaries	5%
Final Examination	65%

In order to achieve a passing grade for this subject you must submit a genuine attempt at each assessment task.

Major Assignments

The due date for the major assignment is Monday/Tuesday 27th/28th March and Monday/Tuesday 1st/2nd May. Precise details about submission will be given with the assignments.

Class/PowerPoint Presentations

These will be scheduled during the week commencing 15 May. Local students will give a 5 minute presentation to their peers while distance students will submit a five minute Power Point presentation, together with their speaker's notes. You will be given further details of these presentations closer to the date.

Chapter Summaries

As we progress through the semester you will be required to submit a summary of each chapter of the textbook that we cover. Further details can be found under Assessment task specifications on the web site.

Final Exam

The Final Exam will be a 3-hour closed-book, written paper (with ten minutes reading time), and it will be weighted 65% towards your overall grade. The Final Exam will be held on a date to be announced by Macquarie University during the period 14 to 30 June. The exam timetable will be available some time during May.

Student resident outside Sydney should contact the Unit Administrator via the private email facility of WebCT as soon as possible to organise a convenient exam location. (Please ignore any notification from Macquarie University stating that your exam centre is Sydney once you have made prior arrangements for your exam.)

All other students will sit the final exam at Macquarie University.

Grading used in ACST400/831/831X

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

IAAust 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. If you already have credit for one of these units, with through Macquarie in a previous year or through some other institution, you should contact Sue Clarke with your details following the release of grades at the end of the semester.

WebCT

You will need a web browser such as:

- Netscape 6.2 or 7.x; or
- Microsoft Internet Explorer 5.0 or higher (including 5.0)

Before using the 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 ACST400/831/831X 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. Macquarie University now licenses the anti-plagiarism software, Turnitin, which will be used in this course.

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 96 in the 2006 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.

ACST400/831/831X Semester 1 Timetable 2006

Week No	Week Beginning	Topics Covered	Textbook Chapter	Teacher	Assignment Due
1	27 Feb	Overview: Control Cycle	1	JS	
2	6 March	Regulation	4	BE	
3	13 March	Context of Actuarial Work	3 (& 2)	JS	
4	20 March	Meeting Consumers' Needs	5	BE	
5	27 March	Product Design	7	BE	1 st Major Assignment Due
6	3 April	Assessing Risk	6	SC	
7	10 April	Assessing Risk	6	SC	
	17 April	BREAK			
	24 April	BREAK			
8	1 May	Modelling	8	SC	2 nd Major Assignment Due
9	8 May	Modelling/Pricing	8/11	SC	
10	15 May	Student Presentations		SC/JS/BE	
11	22 May	Pricing	11	SC	
12	29 May	Need for Capital	9	BE	
13	5 June	Being Professional	2	BE	

JS — John Shepherd
BE — Bruce Edwards
SC — Sue Clarke

Note: Changes to the timetable may occur. Any alterations will be advised via WebCT.