

## ACST400/831/831X: ACTUARIAL CONTROL CYCLE 1

(Referred to below as ACC 1)

Semester 1, 2007

### ACC 1 UNIT OUTLINE

#### ACC 1 Teaching & Support Team

Team Member	Team Role	Room	Telephone	Consultation
John Shepherd	Coordinator/Lecturer	E4A 618	9850 8573	You can contact each team member via the ACC 1 WebCT site
Bruce Edwards	Visiting Lecturer	N/A	N/A	
Hong Xie	Subject Administrator	E4A 621	9850 4776	

#### Subject: Actuarial Control Cycle 1 (ACC 1)

**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 and concepts governing the actuarial management of financial products, services and schemes across commercial (eg insurance and finance), government (eg pensions) and other (eg friendly societies) environments, so that you will be able to apply those principles and concepts to a wide range of problems and issues that you may encounter in your professional practice.

More detailed learning objectives (for the whole year – ACC 1 and ACC 2) are in The Institute of Actuaries of Australia's Part II Syllabus for the Actuarial Control Cycle, which can be found at this web page (scroll down almost to the end of the page, to "Part II Syllabus"):

<http://www.actuaries.asn.au/Education/Courses/PartTwo>

#### Enrolment streams

ACC 1 has three delivery modes – campus classes, city classes and distance education.

### **Face-to-face classes (Campus and City)**

We believe that the best way we can help you to master the Actuarial Control Cycle subject is not by giving traditional lectures where your role is basically to listen, think and take notes. We have planned the face-to-face classes to be like workshops: a mixture of short “micro-lectures”, small group work, discussions involving the whole class, and individual activities. Most weeks, we will ask you to do some preparatory work – reading, research, writing or just thinking. If you want to get the most out of the classes, do the preparation, and get involved in the classroom work.

Since our classes are not going to be traditional lectures, they will not be recorded using the University’s i-lecture facility, which is well suited to lectures but not to workshops, discussions and group work. Scheduled weekly face-to-face classes are:

<b>Enrolment stream</b>	<b>Day</b>	<b>Time</b>	<b>Location</b>
Campus class	Mondays	2.00-4.00pm	E7B T3
	Wednesdays	2.00-4.00pm	C5C T1
City class	Tuesdays	5.30-8.30pm	Portside Centre Level 5, 207 Kent Street, Sydney

*Alterations to the class times or locations will be advised in class and on the ACC 1 WebCT site.*

### **Distance education class**

If you have enrolled for the distance education mode (ACST831X) you will not be attending face-to-face classes (usually because you don’t live in Sydney!). You will have access to all materials from the face-to-face classes (slides, handouts, exercises, etc), and the same discussions and other activities, via the ACC 1 WebCT site.

### **Assumed knowledge and skills**

We assume from the start of ACC 1 that you are familiar with what is learned in Subjects CT1 through CT8 of Part I of the Institute of Actuaries of Australia education system.

### **Textbook**

There is just one textbook for ACC 1, available from its publisher, The Institute of Actuaries of Australia (IAAust):

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

The CD that accompanies the textbook contains additional set readings. Other useful articles will be made available on the ACC 1 WebCT site from time to time.

Here is the relevant IAAust web page:

<http://www.actuaries.asn.au/PublicationAndResearch/Books>

## Grading your learning in ACC 1

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 this subject, your grade will be determined by how well you show you understand and can apply and explain 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 ACC 1:

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

## ACC 1 Assessment tasks

Assessment task	Weighting
Assignment 1	12%
Assignment 2	12%
Textbook tasks	6%
Presentation	5%
Reflective writing task	-
Final exam	65%

Full details of each assessment task will be given in separate documents on the ACC 1 WebCT site. The reflective writing task will be graded satisfactory or unsatisfactory. You will need a satisfactory grade for this task in order to achieve a passing grade for ACC 1.

## Assignments

The due dates for the assessment tasks are spread, so that you can plan your work over the whole 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 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 13 to 30 June. The University's final exam timetable will be available some time during May.

## IAAust exemptions

Macquarie University subjects ACST400/831/831X and ACST401/832/832X 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 ACST400/831/831X and ACST401/832/832X.

## ACC 1 WebCT site

You will need a web browser such as Netscape 6.2 or 7.x, Microsoft Internet Explorer 5.0, 5.1, 5.2 or 6.0, AOL 7.0, 8.0 or 9.0, Mozilla 1.5, 1.6 or 1.7 or Safari 1.2. (Netscape 6.0 and 6.1, and Internet Explorer 5.5 SP1 are not supported and you should not use them to access WebCT.)

Before using the ACC 1 WebCT site, read and make sure you 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>

You can access the ACC 1 WebCT at (click on LOGIN >):

<https://online.mq.edu.au>

## **Plagiarism**

In order to maintain the high standards of a Macquarie University degree, the University uses a strict and progressive approach to 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). Your submitted written work (assignments and textbook tasks) may be compared to work of your classmates, previous students from Macquarie and other universities, and with material available on the internet, using detection software licensed to the University.

## **Special Consideration**

In case 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 page 98 in the 2007 Handbook of Undergraduate Studies. Details of how to request special consideration if your study is disrupted can be found here:

[http://www.efs.mq.edu.au/student\\_support/important\\_processes/special\\_consideration](http://www.efs.mq.edu.au/student_support/important_processes/special_consideration)

## **Calculators**

It is highly unlikely that you will need a calculator at the ACC 1 final exam, but if you will need one you will be given plenty of notice.

## **Questions?**

If you have any question at all about ACC 1, please feel free to ask it on the ACC 1 WebCT site, using the Discussions (Bulletin Board) if it's a question that's likely to be relevant to your classmates too, or Private Mail if it's something personal or not likely to be of interest to others.

Don't be afraid to ask questions. The only dumb question is the one that doesn't get asked!

<b>ACC 1 (Semester 1) Timetable</b>
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<b>Week No</b>	<b>Week Beginning</b>	<b>Topic/Activity</b>	<b>UAM Chapter</b>	<b>Teacher</b>	<b>Assignment Due</b>
1	26 Feb	Overview: Control Cycle	1	JS	
2	5 March	Context of Actuarial Work	3	JS	
3	12 March	Modelling	8	JS	
4	19 March	Regulation	4	BE	
5	26 March	Meeting Consumers' Needs	5	BE	
6	2 April	Assessing Risk	6	BE	Assignment 1
	9 April	<b>NO CLASSES</b>			
	16 April	<b>NO CLASSES</b>			
7	23 April	Assessing Risk	6	BE	Assignment 2
8	30 April	Focus on feedback		JS	
9	7 May	Presentations		BE/JS	
10	14 May	Product Design	7	BE	
11	21 May	Pricing	11	BE	
12	28 May	Need for Capital	9	BE	
13	4 June	Being Professional	2	BE	Reflective writing
	11 June	<b>FINAL EXAM PERIOD</b>			
	18 June	<b>FINAL EXAM PERIOD</b>			

**Notes:**

- *Changes to the timetable may occur. Any alterations will be advised in classes and on the ACC 1 WebCT site.*
- *There will be NO campus class on Wednesday, 25 April (ANZAC Day public holiday).*