



DIVISION OF ECONOMICS AND FINANCIAL STUDIES
Department of Actuarial Studies

Unit Outline

Semester 2, 2008

ACST401 ACTUARIAL CONTROL CYCLE 2
ACST832 ACTUARIAL CONTROL CYCLE 2

Unit Convenor: Shauna Ferris (sferris@efs.mq.edu.au)

Pre-requisites: ACST400/ACST831

Co-requisites: none

Students in this unit should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

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 course will cover the material in the second half of the Institute of Actuaries' of Australia syllabus for the Control Cycle. A copy of this syllabus is available on the unit website.

This is a 4 credit point unit.

TEACHING STAFF

Ms. Shauna Ferris, Unit Coordinator, Room E4A 617

If you wish to contact Shauna Ferris, please do so by sending an email to sferris@efs.mq.edu.au.

Mr. Bruce Edwards (Visiting Lecturer)

If you wish to contact Mr Edwards, please do so by sending an email via the private Mail facility on Blackboard.

Mr. Paul Scully (Visiting Lecturer)

If you wish to contact Mr Scully, please do so by sending an email via the private Mail facility on Blackboard.

If you have a question about the course content, please post it on the discussion board on the unit Blackboard. If you are uncertain about some topics, it is likely that other students are also confused. So it may be helpful to all of your fellow students if questions and answers are posted on the website.

Mr. Hong Xie is acting as a teaching assistant for this unit. Please address any enquiries about administration to Hong Xie via the Private Mail facility on the unit **Blackboard** – his user name is Hong Xie. If he can't answer your question he can pass the message on to the appropriate person.

CLASSES

For students enrolled in the on-campus class, lectures are held on

Monday 2:00 to 4:00 in E7B T3
Wednesday 2:00 to 4:00 in E7B T5

For students enrolled in the city classes, lectures are held on

Tuesdays 5:30 to 8:30 at the Portside Centre,
Level 5, 207 Kent Street, Sydney.

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 Blackboard site. Changes are not always possible.

Any alterations to the lecture times or locations will be advised in lectures, and posted as an ANNOUNCEMENT on the Blackboard. You should check the Blackboard regularly to keep informed about any changes.

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.

Distance students are encouraged to participate in class discussions by using the Discussion facility on the **Blackboard**.



REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

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

Order Forms are on the website, 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 Blackboard for downloading.

UNIT WEB PAGE

The web page for this unit can be found at: <http://learn.mq.edu.au>

The Blackboard will be used extensively for this unit so please consult the web page frequently – and check the Discussion Board for the latest administrative news. You will find administrative updates, lecture notes, tutorials and assignments posted there.

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

LEARNING OUTCOMES

The discipline-based learning outcomes are as defined in the syllabus given on the website.

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.

ASSESSMENT

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

Assessment Task	Weighting
Assignment 1 (Investment Assignment)	5%
Assignment 2	9%
Class Presentation & Report (local students); OR Discussion contribution (distance students only)	6%
Chapter assignments	5%
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 15 September, and to provide a written summary of their presentation topic. Distance students will be assessed on their contribution to the discussions on the website.

Further information about each of these assessment tasks will be given in lectures and on the **Blackboard**. *Check the website regularly to make sure you know the due dates for various tasks.* Late submissions may be penalized.

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.

Please take careful note of the section of this unit outline titled Cheating and Plagiarism in relation to your assignments. *Be warned: we will be using Turnitin software to check for plagiarism.* We will post instructions about how to use Turnitin on the 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.

All students are required to pass the final examination AND have satisfactory performance on the coursework in order to obtain a passing grade for the unit.

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 November 19 and December 5. 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.

Normal examination rules apply to the conduct of the class tests and the final exam. These rules are set out under the heading “Conduct of Examinations” in the Student Information section of the Macquarie University Handbook of Undergraduate Studies (page 42).

STUDENT SUPPORT SERVICES

Besides the general services available (see below), the Division of Economics and Financial Studies offers ERIC: EFS Resource and Information Centre

http://www.efs.mq.edu.au/student_support/eric

WEEKLY TABLE OF TOPICS

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.

	Week Commencing	Lecturer	Topic	Chapter
1	04-August-2008	Bruce Edwards	Valuing Liabilities	10
2	11-August-2008	Paul Scully	Investment	12
3	18-August-2008	Paul Scully	Investment	13
4	25-August-2008	Shauna Ferris	Solvency 1	15
5	01-September-2008	Paul Scully	Investment	14
6	08-September-2008	Paul Scully	Investment	14
7	15-September-2008	Class Presentations		
break	22-September-2008			
break	29-September-2008			
8	06-October-2008	Shauna Ferris	Solvency 2	15
9	13-October-2008	Shauna Ferris	Solvency 3	15
10	20-October-2008	Bruce Edwards	Profit	16
11	27-October-2008	Bruce Edwards	Monitoring Experience	17
12	03-November-2008	Bruce Edwards	Managing the Business	18
13	10-November-2008	Bruce Edwards	Responding to Experience	18

IMPORTANT GENERAL REQUIREMENT FOR ALL UNITS:

ADVICE OF ABSENCE :

Applications for Special Consideration in respect of a class test or other class assessment task must be made on the "Advice of Absence or Other Circumstances" form. These are available from the Student Enquiry Service on level 1 of the Lincoln Building.

EXAMINATIONS AND SPECIAL CONSIDERATION:

The University Examination periods are from 19/11/2008 to 5/12/08. You are expected to present yourself for examination at the time and place designated in the University Examination 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.

<http://www.timetables.mq.edu.au/exam>

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption

and the special consideration process is available at:

<http://www.reg.mq.edu.au/Forms/APSCon.pdf>

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.

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, that is, the final day of the official examination period.

No aids, other than a pen and pencil, may be brought into an exam *unless specifically permitted by the Convenor*. The following are expressly forbidden: mobile phones, calculators, computers, I-pods, PDAs, MP3s and any other electronic aid, and books.

After the grades are determined, you may wish to review your paper and/or apply for a review of your grade. The instructions for this will be posted on the Division website http://www.efs.mq.edu.au/student_support/important_processes/important_processes_grade_appeal_and_exam_script_viewing. Please read this information carefully before submitting a request.

PLAGIARISM AND CHEATING:

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 Disciplinary Committee.

Plagiarism is simply a type of cheating. Any confirmed cheating may result in serious penalties, including deduction of marks, failure in the unit, and/or referral to the University Disciplinary Committee.

UNIVERSITY POLICY ON GRADING:

The grading system is described in section 10.5 of the Bachelor Degree Rules in the Handbook for Undergraduate Studies, available at www.handbook.mq.edu.au/PDFs/2007/ug-bachelor-degree-rules.pdf.

You will be given a grade of High Distinction, Distinction, Credit, Pass, Conceded Pass, or Fail . The grades of achievement are defined as follows:

High Distinction (HD) denotes performance which meets all unit objectives in such an exceptional way and with such marked excellence that it deserves the highest level of recognition.

Distinction (D) denotes performance which clearly deserves a very high level of recognition as an excellent achievement in the unit.

Credit (C) denotes performance which is substantially better than would normally be expected of competent students in the unit.

Pass (P) denotes performance which satisfies unit objectives.

Conceded Pass (PC) denotes performance which meets unit objectives only marginally.

Fail (F) denotes performance which does not meet unit objectives.

The standard grading scheme is:

0 – 44	Fail
45 – 49	Conceded Pass
50 – 64	Pass
65 – 74	Credit
75 – 84	Distinction
85 – 100	High Distinction

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. In particular, note that the mark ranges mentioned in the Handbook of Undergraduate Studies are not the raw marks. To obtain a grade you must satisfy the qualitative definition of that grade.

Once your grade has been determined, you are allocated a standardised mark indicating your approximate position amongst students assigned that grade.

Your raw mark for a unit 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 performance of their students should achieve similar results.

Academic Senate has a set of guidelines on the distribution of grades across the range from fail to high distinction. 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>

STUDENT SUPPORT SERVICES:

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

CLASSROOM ETIQUETTE

Students are expected to be quiet during lectures unless, of course, class participation is required. Mobiles should be turned off during classes; not simply set to “silent”.

EXEMPTIONS

Students who complete both units (The Actuarial Control Cycle 1 The Actuarial Control Cycle 2) may be eligible for an exemption from the Institute of Actuaries of Australia Part 2. In order to be recommended for an exemption, students must obtain a total SNG of 130, with at least 60 in each unit.

The Institute of Actuaries of Australia appoints two external examiners to ensure appropriate standards are maintained. These external examiners review the examination paper and model solutions, and they also review any borderline cases to advise on whether they believe the exemption is merited.

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 Blackboard, complete it and fax or mail it to the department, for the attention of Hong Xie.**

After the grades are determined, the Actuarial Studies Department will compile a list of people who are to be recommended for an exemption, and this will be sent to the IAAust. [There may be some delay in sending the list if we are waiting for some people to complete supplementary examinations etc.] The IAAust will then contact the people who are to be offered an exemption.

For students who have completed Control Cycle I at a different University, each case is considered individually. We usually discuss your results with the other university - and under Privacy rules, we require your written permission to discuss your results with anyone else. Please contact Hong Xie if you have completed Part I at another University.