

Subject CP3 Corrections to 2019 study material

0 Comment

This document contains details of any errors and ambiguities in the Subject CP3 study materials for the 2019 exams that have been brought to our attention. We will incorporate these changes in the study material each year. We are always happy to receive feedback from students, particularly details concerning any errors, contradictions or unclear statements in the courses. If you have any such comments on this course please email them to CP3@bpp.com.

You may also find it useful to refer to the Subject CP3 Frequently Asked Questions thread on the Actuarial Discussion Forum. (You can reach the Forums by clicking on the 'Discussion Forum' button in the bottom left-hand corner of ActEd's website, or by going to www.acted.co.uk/forums/.) This contains useful questions asked by students studying Subject CP3, with answers written by ActEd's tutors.

Important note

This document was created on 25 September 2019.

1 Course Notes

No errors have been identified.

2 Assignments

Assignment X1

In the 'Advance material for Assignment X1', the opening statement should read:

'You are the pricing actuary with Annuities-R-Us, a *proprietary* life insurance company...'

No other errors have been identified.

3 Mocks

Mock

In the table on page 5 of the marking schedule, the term 'value at risk' should appear in the *second* column. This is because the term appears in the Treasurer's report which we have being asked to explain, as the CEO found it 'confusing'. Therefore this term needs to be included in the report along with an appropriate explanation.

The table in the solution should therefore read as follows:

<i>Usually jargon</i>	<i>Unnecessarily complex language / may be jargon</i>	<i>Acceptable terminology / not jargon</i>
parametric	value at risk (VaR)	investments
Normal distribution	demographics	credit rating
significance level	liquidity	reserves
bear market	real value	
legal references, eg Local Government Act 2003 Section 12	capital	
	prudent	
	bond (corporate or government)	
	volatility	

Mock 2

In three places the solution refers to performance of ActInvest as being '0.04%'. In all three places this should say 'minus 0.04%' (as calculated in the question paper, within 'Attachment 2').