

# Subject CP3 Corrections to 2020 study material

## 0 Comment

This document contains details of any errors and ambiguities in the Subject CP3 study materials for the 2020 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](mailto: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/](http://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 21 July 2020.

## **1 Course Notes**

*No errors have been identified in the Course Notes.*

## 2 Assignments

### Assignment X2

Within the 'Assignment X2 Questions' document, section 1.2 contains a table. In that table the figures for 2019 are referred to as estimates (as confirmed by the comment at the top of page 3). This fact has not been carried through to the solution consistently, but it also doesn't significantly impact the solution or the marking schedule.

Section 2 of the 'Advance material document ('Assignment X2 – Questions') confirms that 'It is the start of 2020'. Given that fact, it is simplest and cleanest, to assume that the figures for 2019 are all complete and final. On that basis, there is no need to make any reference to them being estimates in the solution.

To affect this correction:

- In the questions document, delete the first line on page 3, and the '\*' in the final line of the table on page 2.
- In the solutions document, delete 'expected to be the' in the 'F4L-Health' section on page 9.
- In the solutions document, delete 'The figures for 2019 are estimated' at the bottom of page 14.
- In the solutions document, edit the second sentence in the second paragraph on page 15 to read 'F4L-Health was the largest single contributor to the business in 2019 in terms of both sales and profit.'

*No other errors have been identified in the Assignments.*

### 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').