

Subject CS2

Corrections to 2024 study material

0 Introduction

This document contains details of any errors and ambiguities that have been brought to our attention in the Subject CS2 study materials for the 2024 exams. We will incorporate these changes into 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 CS2@bpp.com.

You may also find it useful to refer to the Subject CS2 threads on the ActEd Discussion Forum. (You can reach the Forums by clicking on the 'Discussion Forums' button at the top of the ActEd homepage, or by going to www.acted.co.uk/forums/.)

This document was last updated on **16 September 2024**.

1 Course Notes

Chapter 20

Page 29

(added on 16 September 2024)

There is a typo in the first sentence of question 20.2. It should read:

The aggregate claims from a risk have a compound Poisson distribution with parameter μ .

2 Mock Exam

Mock Exam – Paper B Solutions

Solution 3, part (vi)(a), Page 21

(added on 16 September 2024)

There is a typo in the code that generates the confusion matrix. It should read:

```
(happy.table = table(happy_test$SALE, tree.pred))
```

The code in the R script component to the solutions is correct.

3 ASET

April 2023 – Paper B solutions

Solution 3, part (i), page 20

(added on 16 September 2024)

There is a typo in the code that generates the third column of the matrix. It should be:

```
A[,3] = rlnorm(100000, 7.5, 0.5)
```

The generated matrix should then be:

```
head(A)
      [,1]      [,2]      [,3]      [,4]      [,5]
[1,] 0.2875775 0.60240988 2064.197 1267.1684 0.4708851
[2,] 0.7883051 0.02285169 4515.963  728.4591 0.8977670
[3,] 0.4089769 0.82056246 1755.152  512.0199 0.7615472
[4,] 0.8830174 0.03656945 1760.574  884.9737 0.6478515
[5,] 0.9404673 0.23504938 2250.600  703.6842 0.5329256
[6,] 0.0455565 0.87053886 3528.840 1001.6978 0.8526255
```

Solution 3, part (ii), page 21

(added on 16 September 2024)

Continuing from the previous correction, in part (ii), the matrix should then be:

```
head(B)
      Feature1 Feature2  Benefit Outcome
[1,]         0         1 1267.1684         0
[2,]         1         0 4515.9630         0
[3,]         0         1  512.0199         0
[4,]         1         0 1760.5743         0
[5,]         1         0 2250.5999         0
[6,]         0         1 1001.6978         0
```

Solution 3, part (vi), page 26

(added on 16 September 2024)

Continuing from the previous correction, in part (vi), the weights should be:

```
head(Weight)
[1] 0.9049195 0.5486115 0.5661110 0.8198389 0.6957237 0.7530308
```